

# **Provisional STS Term Verification Checklist**

## **Bastion 2022-1 NHG B.V.**



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

[29] November 2022

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This is the Provisional STS Term Master Checklist for STS Term Verifications.

This Provisional STS Term Master 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 references in this document are to the prospectus unless otherwise stated.

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

It is anticipated at the date of this Provisional STS Term Master Checklist a Final STS Term Master Checklist for STS Term Verification will be made available at or around closing of the transaction. However, such Final STS Term Master 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 Master 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.

**[29] November 2022**

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## PRIME COLLATERALISED SECURITIES (PCS) STS Verification

|   |                           |
|---|---------------------------|
| Individual(s) undertaking the assessment                  | Mark Lewis                |
| Date of Verification                                      | 23 November 2022          |
| <b>The transaction to be verified (the "Transaction")</b> | Bastion 2022-1 NHG B.V.   |
| Issuer  | Bastion 2022-1 NHG B.V.   |
| STS Originator and risk retention holder for STS purposes | MeDirect Bank SA/NV       |
| Arranger  | ABN AMRO                  |
| Transaction Legal Counsel                                 | NautaDutilh               |
| Rating Agencies   | DBRS and Fitch            |
| Stock Exchange  | Luxembourg Stock Exchange |
| Closing Date  | 29 November 2022          |

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

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

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

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

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

|          |  |   |
|----------|--|---|
| <b>1</b> | <p><b>STS Criteria</b></p> <p>1. The title to the underlying exposures shall be acquired by the SSPE by means of a true sale or assignment or transfer with the same legal effect in a manner that is enforceable against the seller or any other third party.</p>   | <p><b>Verified?</b></p> <p><b>YES</b></p> |
|          | <p><b>PCS Comments</b></p> <p>The portfolio comprises mortgage loans originated by HollandWoont B.V. (the "Originator") and secured over residential properties located in the Netherlands. The Mortgage Receivables have been or will be sold and assigned from time to time by the Originator to MeDirect Bank SA/NV (the "Seller"). Legal title to the Mortgage Receivables resulting from such mortgage loans will be assigned by the Seller to the Issuer on (i) the Closing Date and ii) in case of Further Advance Receivables, subject to certain conditions being met, on any Notes Payment Date thereafter during the Further Advance Purchase Period. See section 6.2 (Description of Mortgage Loans) for more details. All Mortgage Loans have the benefit of an NHG Guarantee.</p> <p>Section 7.1 discusses the method by which legal title is transferred (including Assignments I and II). The Risk Factors Section contains a specific sub-section headed "RISK FACTORS REGARDING THE MORTGAGE RECEIVABLES AND SECURITY RIGHTS", discusses the risk issues further.</p> <p>Section 4.3 – STS Statements (a) provides additional information.</p> <p>PCS has been provided with the drafts of legal opinions by NautaDutilh N.V. a reputable law firm in the Netherlands and Belgium.</p> <p>"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".</p> <p>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.</p> <p>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.</p> <p>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 may occur. 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 a jurisdiction meeting the following criteria – absent any other indications – shall not fall within the definition of "severe clawback":</p> <ul style="list-style-type: none"> <li>• Clawback requires an unfair preference "defrauding" creditors</li> <li>• 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.</li> </ul> |   |

Since "severe clawback" is a jurisdictional concept, in analysing this issue PCS will therefore first seek to determine the Seller's jurisdiction for the purposes of insolvency proceedings affecting the originator. As confirmed in the above mentioned opinions, in principle the laws of Belgium would apply to insolvency procedures that should affect the Seller in the future, since Belgium is the (regulatory) home member state of MeDirect Bank SA/NV, which is a credit institution.

On the basis of the Winding-up Directive, the administrative or judicial authorities of the home member state of the Seller, being Belgium, shall alone be empowered to decide on the implementation of one or more reorganisation measures in a bank, including branches in other member states, or the opening of winding-up proceedings concerning such bank.

Under certain circumstances, however, also Dutch law becomes relevant in the insolvency/winding-up of the Seller.

The second step would be to determine whether the laws of the relevant jurisdictions (in this case both Belgium and The Netherlands) contain severe claw back provisions in their insolvency legislation.

In the case of the Transaction, title to the assets is transferred by a traditional Dutch assignment.

The legal opinions from NautaDutilh N.V. confirms that this assignment meets the definition of "true sale" outlined above.

Belgian and Dutch insolvency laws provide 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.

|          |  |                  |
|----------|--|------------------|
| <b>2</b> | <b>STS Criteria</b>  | <b>Verified?</b> |
|          | 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.   | <b>YES</b>       |
|          | <b>PCS Comments</b>  |                  |
|          | See Section 4.3. STS Statements §(b).  |                  |
|          | The home member state and COMI of MeDirect Bank SA/NV is Belgium. The COMI of HollandWoont B.V. is The Netherlands.  |                  |
|          | Neither Belgium nor The Netherlands contemplate severe claw-back provisions, and in both such jurisdictions the re-characterisation risks are remote. See the comments in criterion 1 above. |                  |
|          | Legal opinions have been provided and reviewed.  |                  |

**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.

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|----------|---|--------------------------|
| <b>3</b> | <b>STS Criteria</b>   | <b>Verified?<br/>YES</b> |
|          | <p>3. Where the seller is not the original lender, the true sale or assignment or transfer with the same legal effect of the underlying exposures to the seller, whether that true sale or assignment or transfer with the same legal effect is direct or through one or more intermediate steps, shall meet the requirements set out in paragraphs 1 to 3.</p> <p><b>PCS Comments</b></p> <p>MeDirect Bank SA/NV is the Seller. HollandWoont B.V. is the Originator and sold and will sell and assign from time to time the assets to the Seller. See Section 4.3, STS Statement (b). The Legal Opinions provide comfort on the true sale aspects related to each step from origination to the assignment to the Issuer. See also Section 7.1 (Purchase, Repurchase and Sale), and in particular the descriptions of Assignment I and Assignment II</p> <p>The Legal Opinions provide comfort on the true sale aspects related to assignment from the originator to the Issuer.</p> <p>relevant purchase and assignment is enforceable against the Seller and/or any third party creditor of the Seller, as confirmed by Legal Opinions. Prior to the closing of the Bastion 2022-1 NHG transaction, such Mortgage Receivables were repurchased by and reassigned to the Seller from the Cavalier 2020 B.V. pursuant to a deed of assignment in notarial form under Dutch law. Such repurchase and reassignment will be enforceable against Cavalier 2020 B.V. and/or any third-party creditor of the Cavalier 2020 B.V., as confirmed by Legal Opinions.</p> <p>The above description is based, inter alia, on due diligence provided by the Originator to PCS.</p> |                          |

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

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

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|----------|--|--------------------------|
| <b>4</b> | <b>STS Criteria</b>  | <b>Verified?<br/>YES</b> |
|          | <p>4. Where the transfer of the underlying exposures is performed by means of an assignment and perfected at a later stage than at the closing of the transaction, the triggers to effect such perfection shall, at least include the following events:</p> <ul style="list-style-type: none"> <li>(a) severe deterioration in the seller credit quality standing;</li> <li>(b) insolvency of the seller; and</li> <li>(c) unremedied breaches of contractual obligations by the seller, including the seller's default.</li> </ul> <p><b>PCS Comments</b></p> |                          |



In this transaction, legal title to the Mortgage Receivables is transferred to the Issuer regardless any notification to the Borrowers. A subsequent notification, therefore, is not a perfection requirement. See section 4.3. STS Statements (a)

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.

The transfer is not notified to the borrowers and the legal opinions, including those relating to the intermediate steps mentioned in point 3 above, confirm that such notification is not required to fully perfect the transfer of ownership in the mortgage loans to the SSPE. Accordingly, this transaction does not operate by way of an unperfected assignment and no specific triggers are required.

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

**5** **STS Criteria**

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

**Verified?**  
**YES**

**PCS Comments**

Section 7.2 Representations and Warranties, (b), (c) and (d)

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

|   |  |  |
|---|--|--|
| 6 | <p><b>STS Criteria</b></p> <p>6. The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria....</p>  | <p><b>Verified?</b><br/><b>YES</b></p> |
|   | <p><b>PCS Comments</b></p> <p>See Section 7.2, Representations and Warranties, including in particular item (l) regarding compliance together with the Mortgage Loan Criteria as detailed in Section 7.3 and the Additional Purchase Conditions for Further Advance Receivable, as detailed in Section 7.4. See also Clean-up Call, Regulatory Call and tax reasons repurchase features.</p> <p>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.</p> <p>PCS has read the eligibility criteria in the Prospectus. As they are mandatory, they meet the “predetermined” requirement. As they are in the Prospectus and in the Mortgage Receivables Purchase Agreement they meet the “documented” requirement. PCS has also concluded that they allow determination in each case and so meet the “clear” requirement.</p>  |  |
| 7 | <p><b>STS Criteria</b></p> <p>7. Which do not allow for active portfolio management of those exposures on a discretionary basis. For the purpose of this paragraph, substitution of exposures that are in breach of representations and warranties shall not be considered active portfolio management.</p>  | <p><b>Verified?</b><br/><b>YES</b></p> |
|   | <p><b>PCS Comments</b></p> <p>See Section 4.3 STS Statements (e) and Section 7.1: “Repurchase of Mortgage Receivables” and onwards. The repurchases by the Seller as outlined in the Prospectus are either permitted under the EBA guidelines or does not fall in the category of active portfolio management per the EBA guidelines.</p> <p>The EBA Guidelines set out seven devices to repurchase securitised assets which are not to be considered indicative of “active portfolio management”. To the extent that a transaction only contains some or all of those seven devices and does not provide any other form of repurchase, then the STS criterion will be met.</p> <p>If the transaction should contain a repurchase device that is not included in the EBA’s list, then an analysis will need to be conducted as to whether this additional device offends against the principles set out in the EBA Guidelines (15.a and b) as defining “active portfolio management”</p> <p>PCS has reviewed all the repurchase devices set out in the Prospectus and the Mortgage Receivables Purchase Agreement and each one meets the EBA guidelines</p> <p>PCS also notes that there is an explicit affirmative statement in the Prospectus to the effect that the Transaction does not allow for “active portfolio management”.</p> |  |
| 8 | <p><b>STS Criteria</b></p> <p>8. Exposures transferred to the SSPE after the closing of the transaction shall meet the eligibility criteria applied to the initial underlying exposures.</p>   | <p><b>Verified?</b><br/><b>YES</b></p> |

**PCS Comments**

See section 7.2 Representations and Warranties - includes the representations and warranties that will be given by the Seller on the Closing Date with regard to the Mortgage Receivables assigned on Closing. If the Issuer purchases New Mortgage Receivables and/or Further Advance Receivables, the Seller will represent and warrant to the Issuer and the Security Trustee the matters set out in the clauses providing for the representations and warranties relating to the Mortgage Loans, the Mortgage Receivables and the Seller in the Mortgage Receivables Purchase Agreement with respect to the New Mortgage Receivables and Further Advance Receivables sold and relating to the Seller (with certain exceptions to reflect that the New Mortgage Receivables and Further Advance Receivables are sold and may have been originated after the Closing Date). See section 7.4 (Portfolio Conditions).

Section 7.3 Mortgage Loan Criteria

Section 7.4 - Portfolio Conditions - Purchase of Further Advance Mortgage Receivables.

Also see section 4.3 (d)

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

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

PCS has identified the existence of such a covenant in the Mortgage Receivables Purchase Agreement and the Prospectus.

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

9

**STS Criteria**

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

**Verified?  
YES**

**PCS Comments**

See section 4.3, STS- Statements (f).

Particularly see section 6.1 Stratification Tables, section 6.3 Origination and Servicing.

The definition of “homogeneity” in the Regulation is the subject of a Regulatory Technical Standard (“RTS”). Being set out in an RTS, rather than a guideline or recommendation issued by the EBA, the definition of “homogeneity” will be legally binding on all regulatory authorities.

In interpreting the expression, PCS has based itself on the text of the Regulation, its knowledge of the intent of the legislators – including, crucially, the legislators’ belief that the STS Regulation was justified by the excellent performance of most “plain vanilla” European securitisations and the RTS adopted by the European Commission.

Based on the above, it seems clear to PCS that the Regulation would not seek to exclude from the STS category securitisations that have performed extremely well and are universally considered “homogenous” by market participants. This does not exonerate any transaction from being analysed against this criterion but does set the background for such analysis.

Turning, for guidance, to the RTS adopted by the European Commission, four elements require examination: (a) “similar underwriting standards”, (b) “similar servicing standards”, (c) same asset class and (d) relevant risk factors.

We note that “similar underwriting standards” must mean something like the same type of underwriting approach, looking at the same types of data points to calculate the same type of credit risk. It cannot mean “exactly the same underwriting criteria”, since this would make it impossible for any securitisation ever to have a “homogenous” pool.

In the Transaction, the mortgages were underwritten on a similar basis, they are being serviced on the same platform, they are a single asset class – residential mortgages – and, based on the EBA’s suggested approach, the mortgages are all originated in the same jurisdiction.

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.

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|----|--|------------------|
| 10 | <b>STS Criteria</b>  | Verified?<br>YES |
|    | 10. The underlying exposures shall contain obligations that are contractually binding and enforceable.   |                  |
|    | <b>PCS Comments</b>  |                  |
|    | See Section 7.2, Representation and Warranties item (h) which states:<br><br>“each Mortgage Receivable, the Mortgage, the Borrower Pledge and any other rights of pledge granted by the Borrower to the Originator, if any, constitute legal, valid, binding and enforceable obligations of the relevant Borrower vis-à-vis the Originator, subject to any bankruptcy or similar laws affecting the rights of creditors generally, with full recourse to such Borrower and, where applicable, a guarantor and is governed by Dutch Law;” |                  |
| 11 | <b>STS Criteria</b>  | Verified?<br>YES |
|    | 11. With full recourse to debtors and, where applicable, guarantors.   |                  |
|    | <b>PCS Comments</b>  |                  |
|    | See item 10 above.   |                  |

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

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| 12 | <b>STS Criteria</b><br>12. The underlying exposures shall have defined periodic payment streams, the instalments of which may differ in their amounts.  | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>See section 6.2 Description of Mortgage Loans - Mortgage Types, section 7.3 Mortgage Loan Criteria (a) and (c) and (f) and section 4.3 STS Statements (d) and (f)  |                                |
| 13 | <b>STS Criteria</b><br>13. Relating to rental, principal, or interest payments, or to any other right to receive income from assets supporting such payments. The underlying exposures may also generate proceeds from the sale of any financed or leased assets. | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>See section 6.2 Description of Mortgage Loans - Mortgage Types, section 7.3 Mortgage Loan Criteria (a) and (c) and (f) and section 4.3 STS Statements (d) and (f)  |                                |

**Article 20.8.** The underlying exposures shall not include transferable securities, as defined in Article 4(1), point 44 of Directive 2014/65/EU of the European Parliament and of the Council other than corporate bonds, provided that they are not listed on a trading venue.

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| 14 | <b>STS Criteria</b><br>14. The underlying exposures shall not include transferable securities, as defined in Article 4(1), point 44 of Directive 2014/65/EU of the European Parliament and of the Council other than corporate bonds, provided that they are not listed on a trading venue. | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b>   |                                |

See Section 7.2 (kk) and section 7.3 Mortgage Loan Criteria (a), (b) and (h)

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

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| 15 | <b>STS Criteria</b><br>15. The underlying exposures shall not include any securitisation position.  | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>See Section 7.2 (kk) and section 7.3 Mortgage Loan Criteria (a), (b) and (h) |                                |

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

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| 16 | <b>STS Criteria</b><br>16. The underlying exposures shall be originated in the ordinary course of the originator's or original lender's business. | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>Section 7.2 Representations and Warranties, (m) (ii) and section 4.3 STS Statements (i)                                    |                                |

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| 17 | <b>STS Criteria</b><br>17. Pursuant to underwriting standards that are no less stringent than those that the originator or original lender applied at the time of origination to similar exposures that are not securitised. | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>Section 7.2 Representations and Warranties, (m) (ii) and section 4.3 STS Statements (i)   |                                |

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

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| 18 | <b>STS Criteria</b><br>18. The underwriting standards pursuant to which the underlying exposures are originated and any material changes from prior underwriting standards shall be fully disclosed to potential investors without undue delay. | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b>   |                                |

**PCS Comments**

Section 4.3 STS Statements (i) and 8. GENERAL item 16 (third (i))

Section 6.3 – Origination and Servicing in particular, Underwriting Procedures.

Although somewhat confusingly drafted, the EBA Guidelines make clear that the part of the criterion referring to changes from prior underwriting is a future event criterion. It applies changes in underwriting criteria that occur post-closing. In other words, it cannot be either met or failed at the outset of the transaction. But if, at a later stage, it is not met, then the Originator will need to inform ESMA and the STS status of the securitisation will be lost.

Therefore, as a technical matter, this criterion is not applicable at the closing of a transaction.

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

PCS has identified the existence of such a covenant in the Mortgage Receivables Purchase Agreement.

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

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| <b>19</b> | <b><u>STS Criteria</u></b>   | <b><u>Verified?</u><br/>YES</b> |
|           | <p>19. In the case of securitisations where the underlying exposures are residential loans, the pool of loans shall not include any loan that was marketed and underwritten on the premise that the loan applicant or, where applicable intermediaries, were made aware that the information provided might not be verified by the lender.</p> <p><b><u>PCS Comments</u></b></p> <p>See Section 7.3 Mortgage Loan Criteria (o) and section 4.3 STS Statements (i), subparagraph (ii)</p> |                                 |

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

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| <b>20</b> | <b><u>STS Criteria</u></b>  | <b><u>Verified?</u><br/>YES</b> |
|           | <p>20. The assessment of the borrower's creditworthiness shall meet the requirements set out in Article 8 of Directive 2008/48/EC or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU or, where applicable, equivalent requirements in third countries.</p> <p><b><u>PCS Comments</u></b></p> <p>See Section 7.2 Representations and warranties (II) and section 4.3 STS Statements (i), subparagraph (iii)</p> <p>The criterion requires consumer loans or mortgages to have been underwritten in accordance with one of two European Directives. European Directives, in contrast to Regulations, do not have direct effect but must be implemented into national law country by country.</p> <p>Therefore, if the assets concerned, as in the case of the Transaction, are residential mortgages, the relevant Directive is 2014/17/EU. The next step is to determine which Dutch law transcribed this Directive into local law.</p> <p>PCS assumes, although the Regulation and the EBA Guidelines are silent on this point, that the requirement for mortgages and consumer loans to have been underwritten in compliance with the Directives only applies to assets underwritten after these Directives were transcribed into national law.</p> |                                 |



This was done in The Netherlands via the new Civil Code implementing Directive No. 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers with regard to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No. 1093/2010 (PbEU 2014, L 60/34) issued in 2016.

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

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| <b>21</b> | <p><b>STS Criteria</b></p> <p>21. The originator or original lender shall have expertise in originating exposures of a similar nature to those securitised.</p>   | <p><b>Verified?</b><br/><b>YES</b></p> |
|           | <p><b>PCS Comments</b></p> <p>See section 4.3 STS-Statements (i) and (j).</p> <p>See also information on the experience of the Originator with regard to the origination of mortgage loans in section 3.4 (Seller &amp; Originator) in the paragraph 'Originator expertise' and in section 4.3 (Regulatory and Industry Compliance). MeDirect does not play a role in the origination process, all mortgage loans are originated by HollandWoont and subsequently the mortgage receivables are transferred to MeDirect. MeDirect does not have five years of experience in the origination of mortgage loans, however, the head of Dutch mortgages of MeDirect, directors and senior staff of DMPM (who are, on behalf of the Originator and subsequently the Seller, responsible for managing the origination of mortgage loans similar to the Mortgage Loans) and Quion (who, on behalf of the Originator, in its turn acting on behalf of the Seller, carries out the administrative activities regarding the offering, the review and acceptance of mortgage loans) do have the relevant experience. Quion Services B.V. will provide the Mortgage Loan Services, Conneqt Mortgage Distribution B.V. will act as distribution manager and DMPM as will act as portfolio manager in respect of the Mortgage Loans (see section 3.5 (Servicer), section 6.3 (Origination and Servicing) and section 7.5 (Master Purchase and Servicing Agreement)).</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...

|           |  |  |
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| <b>22</b> | <p><b>STS Criteria</b></p> <p>22. The underlying exposures shall be transferred to the SSPE after selection without undue delay...</p> | <p><b>Verified?</b><br/><b>YES</b></p> |
|           | <p><b>PCS Comments</b></p>   |  |

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| <b>23</b> | <p><b><u>PCS Comments</u></b><br/>See Initial Cut-Off Date and Cut-Off Date definitions<br/>STS-Statements (k)<br/>"k) for confirming compliance with article 20(11) of the Securitisation Regulation, (i) the Mortgage Receivables that will be assigned to the Issuer on the Closing Date have been selected on 31 October 2022 and (ii) any Further Advance Receivables that will be assigned to the Issuer on any Notes Payment Date will result from a Mortgage Loan or a Further Advance that has been granted during the immediately preceding Notes Calculation Period, subject to the Additional Purchase Conditions, and each such assignment therefore occurs in the Seller's view without undue delay (see also section 6.1 (Stratification Tables) and section 7.1 (Purchase, Repurchase and Sale)."<br/>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.</p> |   |
|           | <p><b><u>STS Criteria</u></b><br/>23. And shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013...</p>   | <p><b><u>Verified?</u></b><br/><b>YES</b></p> |
|           | <p><b><u>PCS Comments</u></b><br/>See section 7.2 Representations and Warranties (mm)</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.

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| <b>24</b> | <p><b><u>STS Criteria</u></b><br/>24. Or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator's or original lender's knowledge:</p> | <p><b><u>Verified?</u></b><br/><b>YES</b></p> |
|           | <p><b><u>PCS Comments</u></b></p>   |   |

**PCS Comments**

Section 7.2 Representations and Warranties (mm)

Although the text of the STS Regulation is quite vague, the EBA guidelines on defining “credit impaired” debtors are very helpful.

For PCS, the key points of the EBA guidelines on this issue are:

- a. first that the three listed conditions of credit impaired status (set out in article 20.11 (a) to (c) of the Regulation) amount to a full definition of what it means to be “credit impaired”. So that it is not necessary to reflect at what the term “credit impaired” could mean above and beyond those three items.
- b. Secondly, in relation to entries in a credit registry, the EBA is very clear that the criterion should not be interpreted as excluding debtors with any entry on a credit registry. Providing further guidance, the example given in the EBA Guidelines of a credit registry entry that would not be indicative of a “credit impaired” debtor is the example of a failure to pay that can “reasonably be ignored” for the purposes of credit assessment.

Therefore, the criterion, to be met, does not require the elimination from the pool of all debtors with any negative entry in a credit registry but only those whose entries it would not be reasonable to ignore for the purposes of credit assessments.

Absent any further clarification from the EBA or a national competent authority regarding what it is reasonable to ignore, a judgement would still be necessary in cases where the originator does include in the pool some debtors with some negative entries in a credit registry.

In making this judgement, PCS takes comfort from the intent of the legislators – including, crucially, the legislators’ belief that the STS Regulation was justified by the excellent performance of most “plain vanilla” European securitisation. It is clear to PCS that the “credit impaired” prohibition is driven by the desire of legislators to exclude from the STS category deals generally coming under the definition of “sub-prime”. Therefore, it is unreasonable to refuse STS status to a transaction considered by universal consensus to be a “prime/plain vanilla” transaction with no “sub-prime” aspects. Indeed, this approach seems to be the rationale behind the EBA Guidelines on this matter.

To determine whether this requirement is met, PCS has discussed this matter with the originator and uses its knowledge of the market and market stakeholders as well as the explicit statements made in the prospectus and transaction documentation.

- c. Thirdly, the EBA Guidelines on guaranteed obligations make it clear that the criterion is met so long as either the debtor or the guarantor are not “credit impaired”.

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| <b>25</b> | <b>STS Criteria</b><br>25. (a) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination | <b>Verified?</b><br><b>YES</b> |
|           | <b>PCS Comments</b><br>See item 24 above.   |                                |
| <b>26</b> | <b>STS Criteria</b><br>26. Or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the SSPE, except if:           | <b>Verified?</b><br><b>YES</b> |
|           | <b>PCS Comments</b><br>See item 24 above.   |                                |

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| 27 | <b>STS Criteria</b><br>27. (i) a restructured underlying exposure has not presented new arrears since the date of the restructuring which must have taken place at least one year prior to the date of transfer or assignment of the underlying exposures to the SSPE; and   | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>See item 24 above.  |                                |
| 28 | <b>STS Criteria</b><br>28. (ii) the information provided by the originator, sponsor and SSPE in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring; | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>See item 24 above.  |                                |
| 29 | <b>STS Criteria</b><br>29. (b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the originator or original lender;  | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>See item 24 above.  |                                |
| 30 | <b>STS Criteria</b><br>30. (c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the originator which are not securitised.  | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>See item 24 above.  |                                |

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

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| 31 | <b>STS Criteria</b><br>31. The debtors shall at the time of transfer of the exposures, have made at least one payment, except in the case of revolving securitisations backed by exposures payable in a single instalment or having a maturity of less than one year, including without limitation monthly payments on revolving credits. | <b>Verified?</b><br><b>YES</b> |
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**PCS Comments**

Section 7.3 Mortgage Loan Criteria (p), which states:

“at least one (1) interest payment has been made in respect of the Mortgage Loan prior to the Closing Date or, in the case of New Mortgage Receivables purchased after the Closing Date, the relevant Mortgage Collection Payment Date or the relevant Notes Payment Date;”

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

**32 STS Criteria**  
32. The repayment of the holders of the securitisation positions shall not have been structured to depend predominantly on the sale of assets securing the underlying exposures.

**Verified?  
YES**

**PCS Comments**

STS Statements I).

Also, see reference to Section 6.2 Description of Mortgage Loans – Mortgage Types

Although there was some uncertainty over the status of interest-only mortgages, this has been definitively cleared up by the EBA Guidelines specific statement that this criterion was not designed to capture these products.

Accordingly, none of the assets in the pool display any predominant reliance on the sale of the assets.

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

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| <b>33</b> | <b><u>STS Criteria</u></b><br>33.The originator, sponsor or original lender shall satisfy the risk retention requirement in accordance with Article 6.  | <b><u>Verified?</u></b><br><b>YES</b> |
|           | <b><u>PCS Comments</u></b><br>See section 4.3 “Retention and disclosure requirements under the Securitisation Regulation”, subparagraph “Risk Retention and Related Disclosure Requirements”. The seller is the Originator for purposes of art. 2 STS definition of “Originator”. |                                       |

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

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| <b>34</b> | <b><u>STS Criteria</u></b><br>34. The interest rate...risks arising from the securitisation shall be appropriately mitigated.   | <b><u>Verified?</u></b><br><b>YES</b> |
|           | <b><u>PCS Comments</u></b><br>See STS Statements:<br><br>m) for confirming compliance with article 21(2) of the Securitisation Regulation, the interest rate risks are appropriately mitigated, as the Swap Agreement is entered into to hedge the interest rate risk between (a) interest to be received by the Issuer on the Mortgage Receivables and (b) the floating rate of interest due and payable by the Issuer on the Notes (see 5.4 |                                       |

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|    | (Hedging)). No currency risk applies to the transaction. Other than the Swap Agreement, no derivative contracts are entered into by the Issuer and no derivative contracts are included in the pool of underlying exposures;<br>See "Risk Factors Regarding the Swap Agreement".<br>In the case of the Transaction, the analysis is relatively straightforward. The assets are fixed rate and floating rate; the Class A1 Note liabilities are floating rate and the Class A2, B and C Notes are fixed rate. Rabobank provides a swap to hedge the relevant interest rate mismatch. |                                |
| 35 | <b>STS Criteria</b><br>35. Currency risks arising from the securitisation shall be appropriately mitigated.   | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>The assets and liabilities are both denominated in Euros; Section 7.3 (m) assets, liabilities – Terms and Conditions of the Notes 4. Interest (c). There is no currency hedging.<br>See also Section 4.3 STS Statements (m)  |                                |
| 36 | <b>STS Criteria</b><br>36. Any measures taken to that effect shall be disclosed.  | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>See STS Statements (m) See comments in criterion 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.

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| 37 | <b>STS Criteria</b><br>37. Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and... | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>See 4.3 STS Statements (m), 5.4 Hedging<br>Also, see 3.1 Issuer, second paragraph, (d)   |                                |
| 38 | <b>STS Criteria</b>   | <b>Verified?</b>               |

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|-----------|---|--------------------------------|
|           | 38. ...Shall ensure that the pool of underlying exposures does not include derivatives.   | <b>YES</b>                     |
|           | <b>PCS Comments</b><br>See 4.3 STS Statements (m), and 6.3 Origination and Servicing.   |                                |
| <b>39</b> | <b>STS Criteria</b><br>39. Those derivatives shall be underwritten and documented according to common standards in international finance.   | <b>Verified?</b><br><b>YES</b> |
|           | <b>PCS Comments</b><br>See Section 5.4 (Hedging) for a general description of the Swap Transaction.<br>It is also noted that the definition of Swap Agreement confirms that the agreement is entered into under a 1992 ISDA Master Agreement. |                                |

**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.

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| <b>40</b> | <b>STS Criteria</b><br>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.                        | <b>Verified?</b><br><b>YES</b> |
|           | <b>PCS Comments</b><br>STS Statements (n).<br>Assets: See sections 5.4, 6.1 (interest payment type), 6.2 and 6.3<br>Regarding Liabilities: Cover page and 4.1, Terms and Conditions, Conditions 4 (c) detailing applicable rates.<br>Based on the above, PCS is prepared to verify that this criterion is satisfied. |                                |



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| <p><b>Article 21.4.</b> Where an enforcement or an acceleration notice has been delivered:</p> <p>(a) no amount of cash shall be trapped in the SSPE beyond what is necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors in accordance with the contractual terms of the securitisation, unless exceptional circumstances require that amount is trapped in order to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures;</p> <p>(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>(c) Repayment of the securitisation positions shall not be reversed with regard to their seniority; and</p> <p>(d) No provisions shall require automatic liquidation of the underlying exposures at market value.</p> |   |  |
| 41   | <p><b>STS Criteria</b></p> <p>41. Where an enforcement or an acceleration notice has been delivered:</p> <p>(a) no amount of cash shall be trapped in the SSPE beyond what is necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors in accordance with the contractual terms of the securitisation, unless exceptional circumstances require that amount is trapped in order to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures;</p>  | <p><b>Verified?</b><br/><b>YES</b></p> |
|  | <p><b>PCS Comments</b></p> <p>4.3 STS Statements (o)</p> <p>“for confirming compliance with article 21(4) of the Securitisation Regulation, after the Enforcement Date, no amount of cash is trapped in the Issuer in accordance with the Transaction Documents and the Notes will amortise sequentially (see also section 5 (Credit Structure)), in particular section 5.2 (Priorities of Payments) and no automatic liquidation for market value of the Mortgage Receivables is required under the Transaction Documents (see also Condition 10 (Events of Default) and Condition 11 (Enforcement) and section 7.1 (Purchase, Repurchase and Sale));”</p> <p>There is no cash trapping for STS purposes.</p>                      |  |
| 42   | <p><b>STS Criteria</b></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><b>Verified?</b><br/><b>YES</b></p> |
|  | <p><b>PCS Comments</b></p> <p>STS Statements o)</p> <p>“for confirming compliance with article 21(4) of the Securitisation Regulation, after the Enforcement Date, no amount of cash is trapped in the Issuer in accordance with the Transaction Documents and the Notes will amortise sequentially (see also Section 5 (Credit Structure), in particular Section 5.2 (Priorities of Payments) and no automatic liquidation for market value of the Mortgage Receivables is required under the Transaction Documents (see also Conditions 10 and 11 and Section 7.1 (Purchase, Repurchase an Sale));”</p> <p>See also the Post-Enforcement Priority of Payments set out in Section 5.2 (Priority of Payments) items (d) et seq.</p> |  |

|    |   |  |
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|    | On this basis PCS is prepared to verify this requirement.   |  |
| 43 | <p><b>STS Criteria</b></p> <p>43. (c) Repayment of the securitisation positions shall not be reversed with regard to their seniority; and</p>   | <p><b>Verified?</b><br/><b>YES</b></p> |
|    | <p><b>PCS Comments</b></p> <p>See point 42 above.</p> <p>STS Statements o)</p> <p>“for confirming compliance with article 21(4) of the Securitisation Regulation, after the Enforcement Date, no amount of cash is trapped in the Issuer in accordance with the Transaction Documents and the Notes will amortise sequentially (see also Section 5 (Credit Structure), in particular Section 5.2 (Priorities of Payments) and no automatic liquidation for market value of the Mortgage Receivables is required under the Transaction Documents (see also Conditions 10 and 11 and Section 7.1 (Purchase, Repurchase an Sale));”</p> <p>See also the Post-Enforcement Priority of Payments set out in Section 5.2 (Priority of Payments) items (d) et seq.</p> <p>On this basis PCS is prepared to verify this requirement.</p> |  |
| 44 | <p><b>STS Criteria</b></p> <p>44. (d) No provisions shall require automatic liquidation of the underlying exposures at market value.</p>  | <p><b>Verified?</b><br/><b>YES</b></p> |
|    | <p><b>PCS Comments</b></p> <p>STS Statements o)</p> <p>“for confirming compliance with article 21(4) of the Securitisation Regulation, after the Enforcement Date, no amount of cash is trapped in the Issuer in accordance with the Transaction Documents and the Notes will amortise sequentially (see also Section 5 (Credit Structure), in particular Section 5.2 (Priorities of Payments) and no automatic liquidation for market value of the Mortgage Receivables is required under the Transaction Documents (see also Conditions 10 and 11 and Section 7.1 (Purchase, Repurchase an Sale));”</p> <p>See also the Post-Enforcement Priority of Payments set out in Section 5.2 (Priority of Payments) items (d) et seq.</p> <p>On this basis PCS is prepared to verify this requirement.</p>                            |  |

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

|  |   |                                |
|--|---|--------------------------------|
| <b>45</b>  | <b>STS Criteria</b>   | <b>Verified?</b><br><b>YES</b> |
|  | <p>45. Transactions which feature non-sequential priority of payments shall include triggers relating to the performance of the underlying exposures resulting in the priority of payments reverting to sequential payments in order of seniority. Such performance-related triggers shall include at least the deterioration in the credit quality of the underlying exposures below a pre-determined threshold.</p> |                                |
| <b>PCS Comments</b>  |   |                                |
| <p>Not applicable as transaction is sequential pay.</p> <p>The Notes will amortise sequentially section 5.2 (Priorities of Payments)</p> <p>The first step in analysing this criterion is to determine whether the transaction features non-sequential priorities of payment.</p> <p>The Transaction does not have such non-sequential priorities and so no examination of triggers is required.</p> |   |                                |

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

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

|                     |   |                                |
|---------------------|---|--------------------------------|
| <b>46</b>           | <b>STS Criteria</b>   | <b>Verified?</b><br><b>YES</b> |
|                     | <p>46. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:</p> <p>(a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold;</p> |                                |
| <b>PCS Comments</b> |   |                                |
| <p></p>             |   |                                |

|    |   |                                |
|----|---|--------------------------------|
|    | No revolving period is contemplated. This requirement does not apply.   |                                |
| 47 | <b>STS Criteria</b><br>47. (b) the occurrence of an insolvency-related event with regard to the originator or the servicer;   | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>Not applicable - there is no revolving period  |                                |
| 48 | <b>STS Criteria</b><br>48. (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event);                                | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>Not applicable - there is no revolving period  |                                |
| 49 | <b>STS Criteria</b><br>49. (d) a failure to generate sufficient new underlying exposures that meet the pre-determined credit quality (trigger for termination of the revolving period). | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>Not applicable - there is no revolving period  |                                |

**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.

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|----|---|--------------------------------|
| 50 | <b>STS Criteria</b><br>50. The transaction documentation shall clearly specify:<br>(a) the contractual obligations, duties and responsibilities of the servicer and the trustee, if any, and other ancillary service providers; | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b>   |                                |

|   |   |  |
|---|---|--|
|   | <p>See section 4.3 STS Statement (q)</p> <p>“for confirming compliance with article 21(7) of the Securitisation Regulation, the contractual obligations, duties and responsibilities of the Servicer are set forth in the Master Purchase and Servicing Agreement (including the processes and responsibilities to ensure that a substitute servicer shall be appointed upon the occurrence of a termination event under the Master Purchase and Servicing Agreement), a summary of which is included in section 7.5 (Master Purchase and Servicing Agreement), the contractual obligations, duties and responsibilities of the Issuer Administrator are set forth in the Administration Agreement, a summary of which is included in 5.7 (Administration Agreement), the contractual obligations, duties and responsibilities of the Security Trustee are set forth in the Trust Deed, a summary of which is included in section 3.3 (Security Trustee) and section 4.1 (Terms and Conditions), the provisions that ensure the replacement of the Issuer Account Bank upon the occurrence of certain events are set forth in the Issuer Account Agreement (see also section 5.6 (Issuer Accounts)) and the relevant rating triggers for potential replacements are set forth in the definition of Requisite Credit Rating.”</p> <p>See also summaries in sections 3.3 Security Trustee, 3.5 Servicer, 3.6 Issuer Administrator and section 4.1 Terms and Conditions citing the Trust Deed.</p> <p>See also the following descriptions on agreements: Master Purchase and Servicing Agreement – section 7.5, the Administration Agreement in section 5.7.</p> <p>PCS has reviewed the underlying transaction documentation to its satisfaction.</p> |  |
| 51  | <p><b>STS Criteria</b></p> <p>51. (b) the processes and responsibilities necessary to ensure that a default by or an insolvency of the servicer does not result in a termination of servicing, such as a contractual provision which enables the replacement of the servicer in such cases; and</p>   | <p><b>Verified?</b><br/><b>YES</b></p> |
|   | <p><b>PCS Comments</b></p> <p>See section 7.5 on the Master Purchase and Servicing Agreement, subtitle “Termination”, there is a substitute servicer requirement. See Back-up Servicer Facilitator.</p> <p>PCS has reviewed the underlying transaction documentation to its satisfaction.</p>   |  |
| 52  | <p><b>STS Criteria</b></p> <p>52. (c) provisions that ensure the replacement of derivative counterparties, liquidity providers and the account bank in the case of their default, insolvency, and other specified events, where applicable.</p>   | <p><b>Verified?</b><br/><b>YES</b></p> |
|   | <p><b>PCS Comments</b></p> <p>The respective replacement languages are in</p> <p>Section 5.4 hedging; Section 5.5, Liquidity Support; Section 5.6, Issuer Accounts</p> <p>PCS has reviewed the underlying transaction documentation to its satisfaction.</p>  |  |
| <p><b>Article 21.8.</b> 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.</p> |   |  |
| 53  | <p><b>STS Criteria</b></p> <p>53. The servicer shall have expertise in servicing exposures of a similar nature to those securitised</p>   | <p><b>Verified?</b><br/><b>YES</b></p> |

**PCS Comments**

STS-Statements (r) and section 3.5

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.

|  |  |                                |
|--|--|--------------------------------|
| 54   | <b>STS Criteria</b><br>54. And shall have well documented and adequate policies, procedures and risk management controls relating to the servicing of exposures.   | <b>Verified?</b><br><b>YES</b> |
|  | <b>PCS Comments</b><br>STS-Statements (r)<br>PCS has also reviewed due diligence materials in relation to this point to its satisfaction.  |                                |
| <b>Article 21.9.</b> The transaction documentation shall set out in clear and consistent terms definitions, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies   |  |                                |
| 55   | <b>STS Criteria</b><br>55. The transaction documentation shall set out in clear and consistent terms, remedies and actions relating to delinquency and default of debtors debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies. | <b>Verified?</b><br><b>YES</b> |
|  | <b>PCS Comments</b><br>STS Statements (t) and section 6.3<br>The relevant documents satisfy that the criterion is met.   |                                |
| <b>Article 21.9.</b> The transaction documentation shall clearly specify the priorities of payment, events which trigger changes in such priorities of payment as well as the obligation to report such events. Any change in the priorities of payments which will materially adversely affect the repayment of the securitisation position shall be reported to investors without undue delay. |  |                                |
| 56   | <b>STS Criteria</b><br>56. The transaction documentation shall clearly specify the priorities of payment,  | <b>Verified?</b><br><b>YES</b> |
|  | <b>PCS Comments</b><br>See STS Statements (s)<br>See section 5.2, Priority of Payments.<br>PCS has reviewed the underlying documentation to satisfy itself that this criterion is met.   |                                |
| 57   | <b>STS Criteria</b><br>57. The transaction documentation shall clearly specify the events which trigger changes in such priorities of payment.   | <b>Verified?</b><br><b>YES</b> |

|   |  |  |
|---|--|--|
|   | <p><b><u>PCS Comments</u></b></p> <p>See STS Statements (s)</p> <p>Section 4.1, Terms and Conditions, Condition 10 Events of Default and Section 5.2. Order of Priorities</p> <p>PCS has reviewed the relevant transaction documents to satisfy itself that these criteria are met.</p>  |  |
| 58  | <p><b><u>STS Criteria</u></b></p> <p>58. The transaction documentation shall clearly specify the obligation to report such events.</p>   | <p><b><u>Verified?</u></b></p> <p><b>YES</b></p> |
|   | <p><b><u>PCS Comments</u></b></p> <p>See section 4.3 STS Statements (s)</p> <p>Section 4.1, Terms and Conditions, Conditions 10 and 13 and section 8, General, 16</p> <p>PCS has reviewed the relevant documents to satisfy itself that these criteria are met</p>   |  |
| 59  | <p><b><u>STS Criteria</u></b></p> <p>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.</p>  | <p><b><u>Verified?</u></b></p> <p><b>YES</b></p> |
|   | <p><b><u>PCS Comments</u></b></p> <p>See section 4.3 STS Statements (s)</p> <p>Section 4.1, Terms and Conditions, Conditions 10 and 13 and section 8, General 16</p> <p>PCS has indeed identified the existence of such a covenant as set out in the Prospectus.</p> <p>PCS has reviewed the underlying transaction documentation to its satisfaction.</p> |  |
| <p><b>Article 21.10.</b> 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.</p> |  |  |
| 60  | <p><b><u>STS Criteria</u></b></p> <p>60. The transaction documentation shall include clear provisions that facilitate the timely resolution of conflicts between different classes of investors, voting rights shall be clearly defined and allocated to bondholders</p>   | <p><b><u>Verified?</u></b></p> <p><b>YES</b></p> |



**PCS Comments**

See Prospectus 4.1 Terms and Conditions, section 14 and Trust Deed (the relevant Trust Deed schedules are 1 (meetings) and 5 (Terms and Conditions)).

The EBA requirements are met:

- (a) method of convening meeting – Condition 14(a)
- (b) maximum time – Trust Deed, Schedule 1, 3.1
- (c) quorum – in Condition 14 (b).
- (d) Minimum threshold of votes – Trust Deed Schedule 1, 9
- (e) location – Schedule 1 Trust Deed, Schedule 1, 3.1.

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

PCS has reviewed the documents to ascertain that all five requirements are present.

PCS has satisfied itself that all five are set out in the Trust Deed

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

61

**STS Criteria**

61. and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.

**Verified?**

**YES**

**PCS Comments**

See section 4.1 Terms and Conditions and the Trust Deed, which outline the responsibilities of the trustee. Also, in section 3.3 (Security Trustee) and 3.6 (Issuer Administrator) the responsibilities and duties are described.

The underlying documents confirm the relevant points are met.

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

|    |  |                                |
|----|--|--------------------------------|
| 62 | <b>STS Criteria</b><br>62. The originator and the sponsor shall make available data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>See Section 6.3 – Origination and Servicing - Data on Static and Dynamic Historical Default and Loss Performance.   |                                |
| 63 | <b>STS Criteria</b><br>63. and the sources of those data and the basis for claiming similarity, to potential investors before pricing.   | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>See item 62.  |                                |
| 64 | <b>STS Criteria</b><br>64. Those data shall cover a period no shorter than five years.   | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>See item 62.  |                                |

**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.

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|----|---|--------------------------------|
| 65 | <b>STS Criteria</b><br>65. A sample of the underlying exposures shall be subject to external verification prior to issuance of the securities resulting from the securitisation by an appropriate and independent party,            | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>See section 4.3, STS Statements (v)<br>PCS has reviewed the “agreed upon procedures” (AUP) commonly known as a “pool audit”. PCS can confirm that this was done by an auditing firm of international repute. |                                |
| 66 | <b>STS Criteria</b><br>66. Including verification that the data disclosed in respect of the underlying exposures is accurate.   | <b>Verified?</b><br><b>YES</b> |

**PCS Comments**

See item 66 above.

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

|           |   |  |
|-----------|---|--|
| <b>67</b> | <p><b>STS Criteria</b></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><b>Verified?</b><br/><b>YES</b></p> |
|           | <p><b>PCS Comments</b></p> <p>See Section 8 General 16, second (iii)</p> <p>The criterion requires an accurate liability model to be circulated to prospective investors pre-pricing.</p> <p>To verify this criterion, PCS will require to see the model. It will then require a statement by the originator that the model was circulated as required by the criterion.</p> <p>PCS is not a modelling firm nor has any modelling expertise. Therefore, it will not verify the model's accuracy or perform any due diligence whatsoever on the model. However, it will seek to satisfy itself indirectly as to the likelihood of the model's accuracy by requesting details of the individuals (if employed by the originator) or the firms (if the model is outsourced) responsible for the model. PCS will then assess whether, in its sole opinion, the model was put together by persons or firms with a reputation and a track-record in such models.</p> <p>Having seen the model, read a statement in the prospectus that the model will be made available in accordance with the requirements of the criteria, and assessed the firm responsible for the model, PCS is prepared to verify this criterion.</p> |  |
| <b>68</b> | <p><b>STS Criteria</b></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><b>Verified?</b><br/><b>YES</b></p> |
|           | <p><b>PCS Comments</b></p> <p>See item 67 above.</p>  |  |

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

By way of derogation from the first subparagraph, originators may, from 1 June 2021, decide to publish the available information related to the principal adverse impacts of the assets financed by underlying exposures on sustainability factors.

22.6 By 10 July 2021, the ESAs shall develop, through the Joint Committee of the European Supervisory Authorities, draft regulatory technical standards in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010 on the content, methodologies and presentation of information referred to in the second subparagraph of paragraph 4 of this Article, in respect of the sustainability indicators in relation to adverse impacts on the climate and other environmental, social and governance-related adverse impacts.

|           |   |                                |
|-----------|---|--------------------------------|
| <b>69</b> | <b>STS Criteria</b>   | <b>Verified?</b><br><b>YES</b> |
|           | <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><b>PCS Comments</b></p> <p>Section 4.3. STS Statements (w)</p> <p>PCS notes the statement made in the prospectus.</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.

|           |  |                                |
|-----------|--|--------------------------------|
| <b>70</b> | <b>STS Criteria</b>  | <b>Verified?</b><br><b>YES</b> |
|           | <p>70. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation.</p> |                                |

**PCS Comments**

Section 4.3 Disclosure Requirements.

**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 | <b>STS Criteria</b> | 71. The information required by point (a) the first subparagraph of Article 7(1) shall be made available to potential investors before pricing upon request.  | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b> | See section 8 General, 16 first (iv) relating to point (a) of article 7(1):<br>"before pricing of the Notes, information on the Mortgage Receivables as required pursuant to article 22(5) of the Securitisation Regulation in conjunction with article 7(1)(a) of the Securitisation Regulation" |                                |
| 72 | <b>STS Criteria</b> | 72. The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form.   | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b> | See Section 8, General 16 second (i) for 7.1 (b) and second (ii) for 7(1) (d), all before pricing as required by article 27.<br>Article 7(1) (c) is not applicable.   |                                |

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

|    |                     |  |                                |
|----|---------------------|--|--------------------------------|
| 73 | <b>STS Criteria</b> | 73. The final documentation shall be made available to investors at the latest 15 days after closing of the transaction. | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b> |  |                                |

See Section 8, General 15 second (i)

“(i) before pricing of the Notes at least in draft or initial form and, at the latest 15 calendar days after the Closing Date, in final form, all underlying documents that are essential for the understanding of the transaction described in this Prospectus, which are listed in this Section 8 (General) under item (10), as required by article 7(1)(b) of the Securitisation Regulation, on the aforementioned website”

PCS notes the existence of such covenant in the Prospectus.

**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:

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

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

**Verified?  
YES**

**PCS Comments**

Section 8 general (16) first paragraph (i) (a) and (b) and General points 10 and 11.

All the criteria from 76 onwards are future event criteria

PCS notes the existence of a covenant to provide all the Article 7 information in the Prospectus

**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:

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

(i) the final offering document or the prospectus together with the closing transaction documents, excluding legal opinions;

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

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

originator;  
 (iv) the servicing, back-up servicing, administration and cash management agreements;  
 (v) the trust deed, security deed, agency agreement, account bank agreement, guaranteed investment contract, incorporated terms or master trust framework or master definitions agreement or such legal documentation with equivalent legal value;  
 (vi) any relevant inter-creditor agreements, derivatives documentation, subordinated loan agreements, start-up loan agreements and liquidity facility agreements;

**75** **STS Criteria**

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

**Verified?**  
**YES**

**PCS Comments**

See Section 8, General 16 second (i) and General 15, points 10 and 11.

“(i) before pricing of the Notes at least in draft or initial form and, at the latest 15 calendar days after the Closing Date, in final form, all underlying documents that are essential for the understanding of the transaction described in this Prospectus, which are listed in this Section 8 (General) under item (10), as required by article 7(1)(b) of the Securitisation Regulation, on the aforementioned website”

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

|           |   |                                       |
|-----------|---|---------------------------------------|
| <b>76</b> | <b><u>STS Criteria</u></b><br>76. That underlying documentation shall include a detailed description of the priority of payments of the securitisation; | <b><u>Verified?</u></b><br><b>YES</b> |
|           | <b><u>PCS Comments</u></b><br>See Trust Deed.   |                                       |

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

(c) where a prospectus has not been drawn up in compliance with Directive 2003/71/EC of the European Parliament and of the Council, a transaction summary or overview of the main features of the securitisation, including, where applicable:

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

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| <b>77</b> | <b><u>STS Criteria</u></b><br>77. (c) where a prospectus has not been drawn up in compliance with Directive 2003/71/EC of the European Parliament and of the Council, a transaction summary or overview of the main features of the securitisation, including, where applicable:<br>(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;<br>(ii) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features;<br>(iii) details regarding the voting rights of the holders of a securitisation position and their relationship to other secured creditors;<br>(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; | <b><u>Verified?</u></b><br><b>YES</b> |
|           | <b><u>PCS Comments</u></b><br>Not applicable.   |                                       |



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

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

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| <b>78</b> | <b>STS Criteria</b>  | <b>Verified?</b><br><b>YES</b> |
|           | <p>78. (d) in the case of STS securitisations, the STS notification referred to in Article 27;</p> <p><b>PCS Comments</b></p> <p>See section 8, General 16 second (ii)</p> <p>“(ii) before pricing of the Notes at least in draft or initial form and on or around the Closing Date in final form, the STS notification referred to in article 27 of the Securitisation Regulation, on the aforementioned website, as required by article 7(1)(d) of the Securitisation Regulation;”</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:

(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.

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| <b>79</b> | <b>STS Criteria</b>  | <b>Verified?</b><br><b>YES</b> |
|           | <p>79. (e) quarterly investor reports, or, in the case of ABCP, monthly investor reports, containing the following:</p> <p>(i) all materially relevant data on the credit quality and performance of underlying exposures;</p> <p>(ii) information on events which trigger changes in the priority of payments or the replacement of any counterparties,</p> <p>(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;</p> |                                |

(iii) information about the risk retained, including information on which of the modalities provided for in Article 6(3) has been applied, in accordance with Article 6.

**PCS Comments**

See Section 8, General 15, first (i) (b)

**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;

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| <b>80</b> | <b>STS Criteria</b>   | <b>Verified?</b><br><b>YES</b> |
|           | <p>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;</p> <p><b>PCS Comments</b></p> <p>See Section 8, General 16 first (ii)</p> <p>“(ii) without delay, in accordance with article 7(1)(f) of the Securitisation Regulation, any inside information relating to the transaction described in this Prospectus on a quarterly basis any inside information relating to the transaction described in this Prospectus in the form of the standardised template set out in Annex II of Delegated Regulation (EU) 2020/1224); and;”</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:

(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.

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| <b>81</b> | <b>STS Criteria</b>   | <b>Verified?</b><br><b>YES</b> |
|           | <p>81. (g) where point (f) does not apply, any significant event such as:</p> <ul style="list-style-type: none"> <li>(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;</li> <li>(ii) a change in the structural features that can materially impact the performance of the securitisation</li> </ul> |                                |

(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.

**PCS Comments**

See Section 8 General 16 first (iii):

“(iii) without delay, in accordance with article 7(1)(g) of the Securitisation Regulation, any significant event such as (a) a material breach of the obligations laid down in the Transaction Documents, including any remedy, waiver or consent subsequently provided in relation to such 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 transaction described in this Prospectus or of the Mortgage Receivables that can materially impact the performance of the transaction described in this Prospectus, (d) if the transaction described in this Prospectus ceases to meet the STS requirements or if competent authorities have taken remedial or administrative actions and (e) any material amendment to any of the Transaction Documents.”

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

82

**STS Criteria**

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

**Verified?**

**YES**

**PCS Comments**

See section 4.3 Disclosure Requirements, third paragraph, beneath (i) and (ii):

“The information described in article 7(1) points (a) and (e) of the Securitisation Regulation shall be made available simultaneously each quarter at the latest one month after each Notes Payment Date”

**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 Union 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.

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

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| 84 | <p><b><u>STS Criteria</u></b></p> <p>84. The originator, sponsor and SSPE of a securitisation shall designate amongst themselves one entity to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 1.</p> <p>The entity designated in accordance with the first subparagraph shall make the information for a securitisation transaction available by means of a securitisation repository.</p> <p>Or</p> <p>The obligations referred to in the second and fourth subparagraphs shall not apply to securitisations where no prospectus has to be drawn up in compliance with Directive 2003/71/EC.</p> | <p><b><u>Verified?</u></b><br/><b>YES</b></p> |
|    | <p><b><u>PCS Comments</u></b></p> <p>Section 8, General (16), first paragraph and section 4.3 Disclosure Requirements</p>  |   |
| 85 | <p><b><u>STS Criteria</u></b></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><b><u>Verified?</u></b><br/><b>YES</b></p> |
|    | <p><b><u>PCS Comments</u></b></p> <p>Section 8 General (16), first paragraph and section 4.3 Disclosure Requirements</p>   |   |