

STS Term Verification Checklist

PEPPER IBERIA CONSUMER 2024



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

15th October 2024

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

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

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

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

15th October 2024

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PRIME COLLATERALISED SECURITIES (PCS) STS Verification

Individual(s) undertaking the assessment	Dr Martina Spaeth
Date of Verification	15 th October 2024
The transaction to be verified (the “Transaction”)	PEPPER IBERIA CONSUMER 2024
Issuer	PEPPER IBERIA CONSUMER 2024, FONDO DE TITULIZACIÓN
Originator/Seller/STS Originator	Pepper Finance Corporation, S.L.U. (“Pepper Spain” or the “Seller”)
Joint Lead Manager(s)	Banco Santander, Citigroup Global Markets Europe AG and Jefferies
Transaction Legal Counsel	Cuatrecasas, Gonçalves Pereira S.L.P. (“Cuatrecasas”)
Rating Agencies	MDBRS and S&P
Arranger	Jefferies
Closing Date	15 th October 2024

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

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

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

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

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

1	<p>STS Criteria</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>	Verified? YES
	<p>PCS Comments</p> <p>Regarding the assignment, see Prospectus section ADDITIONAL INFORMATION TO BE INCLUDED IN RELATION TO ASSET-BACKED SECURITIES, 3.3.2. Formalisation of the assignment of the Receivables</p> <p>The assignment of the Initial Receivables by the Seller to the Fund will be effected on the Incorporation Date by means of the Master Receivables Sale Agreement executed (as a notarial deed «póliza») simultaneously with the Deed of Incorporation and upon incorporation of the Fund.</p> <p>3.3.3 Receivables assignment terms</p> <p>The assignment of the Receivables will be full and unconditional and for the whole remaining period up to the maturity of each Receivable. [...]</p> <p>With regard to the insolvency of the Seller:</p> <p>(a) The Seller may be declared insolvent and insolvency of the Seller could affect its contractual relationship with the Fund, in accordance with the provisions of the Spanish Insolvency Law.</p> <p>(b) The assignment of the Receivables cannot be subject to claw -back other than by an action brought by the Seller's insolvency trustee (or, subsidiary, by creditors), in accordance with the provisions of the Spanish Insolvency Law and after proving the existence of fraud in the transaction, as set forth in article 16.4 of Law 5/2015. The Seller has its place of business office in Spain. Therefore, and unless proof in the contrary, it is presumed that the centre of main interests is Spain.</p> <p>(c) In the event that the Seller is declared insolvent, in accordance with the Spanish Insolvency Law, the Fund, represented by the Management Company, shall have the right of separation with respect to the Receivables, on the terms provided in articles 239 and 240 of the Spanish Insolvency Law. Consequently, the Fund shall be entitled to obtain from the insolvent Seller the resulting Receivables amounts from the date on which the insolvency is decreed, being those amounts considered Fund's property and must therefore be transferred to the Fund, represented by the Management Company.</p> <p>(d) This right of separation would not necessarily extend to the cash received and kept by the insolvent Seller on behalf of the Fund before that date, given the essential fungible nature of money.</p> <p>Notwithstanding the above, both the Prospectus and the Deed of Incorporation provide for certain mechanism in order to mitigate the aforesaid effects in relation to cash due to its fungible nature as detailed in section 3.4.2.1 of the Additional Information.</p> <p>Section 3.3.1 above provides that the Seller's assignment of the Receivables to the Fund shall not be notified to the Obligors, except as foreseen in section 3.7.1.16 of the Additional Information.</p> <p>See also 2.2.8.3 Seller Asset Warranties:</p> <p>(2) Assignment Effective: The assignment of each Receivable the subject of a Purchase Offer upon (i) acceptance of such Purchase Offer and (ii) payment of the relevant Purchase Price will be effective to pass to the Issuer good and marketable title thereto and the benefit thereof (including in such context, the right to receive Collections from the Obligors) free of any Encumbrances in favour of any person claiming through or under the Seller or any of its Affiliates and, subject to any limitations arising on enforcement in the jurisdiction of the</p>	

relevant Obligor, no further act, condition or thing will be required to be done in connection therewith to enable the Issuer to require payment of any such Receivable or to enforce any such right in the courts of Spain without the participation of the Seller other than:

- (i) the giving of a Notice of Assignment;
- (ii) the joinder or sisting of the Seller as a party to proceedings by the Issuer against the relevant Obligor.
- (3) **Compliance:** The assignment of each Receivable the subject of a Purchase Offer is in compliance with requirements of law applicable to the Seller on the date of such assignment.
- (4) **Title to Receivables:** The Seller is the person in whom the legal title to such Receivables is held.
- (5) **Records:** The Seller has (or agents on behalf of the Seller have) maintained records relating to the Receivables which are accurate and complete in all material respects.
- (6) **No Adverse Selection Procedures:** No selection procedures adverse to the Noteholders and rest of creditors of the Fund are employed by the Seller in selecting the Receivables from amongst the Eligible UPL Agreements in Securitised Portfolio,

provided that no breach of a Seller Asset Warranty shall arise as a result of a Court ruling declaring that the contractual interest rate relating to one or more Receivables is usurious under the Usury Law, if notwithstanding such ruling paragraph (a) of the Portfolio Concentration Levels would still be satisfied.

PCS notes that the Receivables are effectively assigned the Issuer, which is the PEPPER IBERIA CONSUMER 2024, FONDO DE TITULIZACIÓN.

Regarding this Transaction, the Seller and Issuer are both incorporated in Spain so its COMI is Spain, therefore Spain will be the relevant jurisdiction for the purposes of the applicable insolvency law. Spanish insolvency law provides for clawback provisions in the cases of unfair prejudice to creditors, transactions at an undervalue and/or fraud.

Confirmation of true sale i.e. enforceability of assignment, an assessment of the re-characterisation risks is made in the Legal Opinion. PCS has reviewed the Spanish law legal opinion provided by Cuatre Casas

"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(s)/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(s)/seller. In a "true sale" the insolvency officer and creditors of the insolvent originator/seller are not able to satisfy the claims of the originator/seller's creditor out of the proceeds of the securitised assets. Following a "true sale" there is no legal device by which the assets can automatically revert to the originator/seller's ownership. Such automatic reversion is associated with security interests and anathema to a "true sale".

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

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

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

The Regulation (20.1) therefore does not require STS "true sales" to be clawback proof since this would mean that no European securitisation could ever be STS. It does require the sale not to be subject to "severe clawback". The Regulation does not define "severe clawback" but gives an example (20.2) where a clawback may occur. The Regulation (20.1) therefore does not require STS "true sales" to be clawback proof since this would mean that no European securitisation could ever be STS. It does require the sale not to be subject to "severe clawback".

The Regulation does not define “severe clawback” but gives an example (20.2) where a clawback happens for no reasons. The Regulation (20.3) also explicitly excludes from the definition of “severe clawback” the traditional European basis for such devices which all come under the general category of “preferences”.

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

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

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

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

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

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

(a) provisions which allow the liquidator of the seller to invalidate the sale of the underlying exposures solely on the basis that it was concluded within a certain period before the declaration of the seller's insolvency;

(b) provisions where the SSPE can only prevent the invalidation referred to in point (a) if it can prove that it was not aware of the insolvency of the seller at the time of sale.

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

2

STS Criteria

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

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

See point 1, above.

See also Prospectus, 3. ESSENTIAL INFORMATION, 3.1.2 Pepper Finance Corporation, S.L.U. ("Pepper Spain" or the "Seller")

Pepper Spain shall assign to the Fund by means of an assignment the title of the underlying Receivables. Such assignment of the title to the Fund shall not be subject to severe clawback provisions in the event of the Seller's insolvency.

See also 3.7.1.16 Notices

The Management Company and the Seller have agreed to not notify the assignment of the Receivables to the respective Obligors except when required by law that as of the Incorporation Date of the Fund, involves the Obligors of the Autonomous Communities of Valencia, Castilla-La Mancha and Comunidad Foral de Navarra, according to, respectively (i) Decree-Law 1/2019, of December 13, of the Consell, approving the consolidated version of the Statute of consumers and users of the Valencian Community; (ii) by Law 3/2019, of March 22, approving the Statute of consumers in Castilla La Mancha; and (iii) Regional Law 21/2019, of 4 April, on the modification and updating of the Navarra's regional civil law compilation or "Fuero Nuevo".

For these purposes, notice is not a requirement for the validity of the assignment of the Receivables. If the Seller does not notify the assignment in accordance with the abovementioned regulations, it may be subject to sanctions foreseen in such regulation which will not affect the assignment of the Receivables subject to the Spanish Civil Code.

Notwithstanding the above, in the event of insolvency, liquidation or substitution of the Seller, or upon the occurrence of a Servicer Default (each, a "Notification Event"), the Management Company may request the Servicer to notify the Obligors of the assignment of the outstanding Receivables to the Fund and that the payments derived therefrom will only release the debt if payment is made into the Transaction Account opened in the name of the Fund. However, in the case that the Servicer is in insolvency proceedings, the Management Company itself, either directly or through a new designated servicer or agent, may notify the Obligors to which end the Management Company may request the Spanish Public Notary to provide the Decoding Key of the PDR in order to be able to access to the data included herein.

Accordingly, the Seller will grant to the Management Company in the Deed of Incorporation the broadest powers as required by law so that it may, in the name of the Fund, notify the Obligors of the assignment at the time it deems appropriate.

The Seller will assume the expenses incurred in notifying the Obligors, even if notification is provided by the Management Company.

The Transferor's assignment of the Receivables to the Issuer will not be notified to the Obligors since the assignment is valid without notification. In the event of insolvency of the Seller the Management Company or the Servicer (if still solvent) would notify all or certain obligors of certain regions.

The Legal Opinion confirms that the transfer of the title on the Receivables to the Fund shall not be subject to severe clawback provisions in the event of the Seller's insolvency, as required in Article 20(1) of Regulation (EU) 2017/2402. The COMI of the Seller is the Kingdom of Spain. The legislation of the Kingdom of Spain does not contemplate severe claw-back provisions for securitisation transactions, see also point 1, above.

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

3	STS Criteria	Verified? YES
	<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>PCS Comments</p> <p>Not applicable. The Seller is PEPPER FINANCE CORPORATION, S.L.U.</p> <p><i>Pepper has confirmed to PCS that the assets will be sold from the warehouse to Pepper and onwards to the Fund so that the assets are not encumbered, and the issuer will receive full representations and warranties from Pepper, as in the Prospectus and relevant documents.</i></p>	

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

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

4	STS Criteria	Verified? YES
	<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"> (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. <p>PCS Comments</p> <p><i>Not applicable as the assignment is perfected without the need for notification to obligors as also confirmed by the legal opinion.</i></p>	

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

5	STS Criteria	Verified? YES
	<p>5. The seller shall provide representations and warranties that, to the best of its knowledge, the underlying exposures included in the securitisation are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale or assignment or transfer with the same legal effect.</p> <p>PCS Comments</p> <p>See Prospectus, 2.2.8.6, Eligibility Criteria</p> <p>(18) it is freely assignable and (immediately prior to the sale of the relevant Receivable to the Issuer) free and clear of any encumbrances (including rights attaching to creditors) exercisable against the Seller or the Issuer arising under or through such Seller (or any of its respective Affiliates) and, to which, at the time of its creation and immediately prior to the sale of the relevant Receivable to the Issuer, the Seller had good and marketable title and there is no option to acquire or create any encumbrance on or over or affecting the Receivables or any related rights attaching thereto;</p> <p>See also See also 2.2.8.3 Seller Asset Warranties:</p> <p>(2) Assignment Effective: The assignment of each Receivable the subject of a Purchase Offer upon (i) acceptance of such Purchase Offer and (ii) payment of the relevant Purchase Price will be effective to pass to the Issuer good and marketable title thereto and the benefit thereof (including in such context, the right to receive Collections from the Obligors) free of any Encumbrances in favour of any person claiming through or under the Seller or any of its Affiliates and, subject to any limitations arising on enforcement in the jurisdiction of the relevant Obligor, no further act, condition or thing will be required to be done in connection therewith to enable the Issuer to require payment of any such Receivable or to enforce any such right in the courts of Spain without the participation of the Seller other than: [...]</p> <p>“Encumbrances” (“Gravámenes”) means any mortgage, charge, pledge, lien or other security interest or encumbrance securing any obligation of any person or any other type of preferential arrangement (including, without limitation, title transfer and retention arrangements) having similar effect.</p> <p>Article 20.7. The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria which do not allow for active portfolio management of those exposures on a discretionary basis. For the purpose of this paragraph, substitution of exposures that are in breach of representations and warranties shall not be considered active portfolio management. Exposures transferred to the SSPE after the closing of the transaction shall meet the eligibility criteria applied to the initial underlying exposures.</p>	
6	STS Criteria	Verified? YES
	<p>6. The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria....</p> <p>PCS Comments</p> <p>See Prospectus, 3.3.1</p> <p>3.3.1. Eligible Receivables</p> <p>An “Eligible Receivable” means a Receivable that complies with all the Eligibility Criteria as of the relevant Cut-Off Date.</p> <p>In order to be assigned to and acquired by the Fund, the Receivables shall individually satisfy the Eligibility Criteria established in section 2.2.8.6 above on the following dates (each, a “Cut-Off Date”):</p> <p>(a) <u>Initial Receivables</u>: on the Initial Assignment Cut-Off Date; and</p>	

(b) Additional Receivables: one Business Day prior to the Offer Date.

The consideration payable by the Issuer to the Seller in respect of the sale to the Issuer by the Seller of Receivables will be equal to the "Purchase Price", meaning:

(a) in respect of any Receivable (other than a Synthetic Receivable), the Principal Balance of such Receivable; and

(b) in respect of any Synthetic Receivable, the Synthetic Principal Balance of such Synthetic Receivable,

in each case, as at the Cut-Off Date for the relevant Receivable.

2.2.2.3. Additional Receivables

During the Revolving Period, on each Purchase Date, the Fund, represented by the Management Company, will purchase Additional Receivables up to a maximum amount equal to the Maximum Receivables Amount, provided that the Seller has sufficient Additional Receivables to be assigned to the Fund meeting the Eligibility Criteria on the relevant Cut-Off Date.

2.2.2.3.3. Eligibility Criteria

In order for the Additional Receivables to be assigned to, and acquired by, the Fund, each Additional Receivable shall, on the relevant Cut-Off Date, individually satisfy all the Eligibility Criteria established in section 2.2.8.6 below.

See 2.2.8.6 for the list of Eligibility Criteria.

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

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

7 STS Criteria

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

**Verified?
YES**

PCS Comments

2.2.9.4. No active portfolio management

The Seller's rights and obligations to sell Receivables to the Issuer and/or repurchase Receivables from the Issuer pursuant to this section, including repurchases of Receivables that do not comply with the LCR/Solvency II requirements, Receivables that do not comply with the EU Securitisation Regulation, the STS criteria or Article 243 of the CRR Regulation, Receivables that are the subject of claim or litigation against the Seller, Receivables that are in breach of the Seller Asset Warranties and the exercise of the call options do not constitute active portfolio management for purposes of (i) Article 20(7) of the EU Securitisation Regulation; (ii) article 21 of Act 5/2015; and (iii) EBA Guidelines. During the Revolving Period, the Seller intends to use the call option in relation to Defaulted Receivables only to facilitate recoveries or for the purpose of adding further Eligible Receivables as substitutes for Defaulted Receivables. During the Amortisation Period, the Seller intends to use the call option in relation to Defaulted Receivables only to facilitate recoveries.

See Prospectus, 2.3 Assets actively managed backing the issue

The Management Company will not actively manage the assets backing the issue.

See 2.2.2.1 Assignment

Both Initial Receivables and Additional Receivables

Any Receivables (either the Initial Receivables or the Additional Receivables) to be offered by the Seller to the Fund will be existing Eligible Receivables held by the Seller on the Incorporation Date (in respect of the Initial Receivables) or on the relevant Purchase Date (in respect of the Additional Receivables), will be randomly selected (in the case of the Initial Receivables, from the Preliminary Portfolio) and shall meet the relevant Eligibility Criteria (as applicable), as set forth (i) in sub-section "Assignment of the Initial Receivables" above (in respect of the Initial Receivables); and (ii) in section 2.2.2.3.3 of the Additional Information (in respect of the Additional Receivables).

Such assignment will be made in the terms described in section 3.3.1 et seq. of the Additional Information.

See also "Selection of Initial Receivables from the Preliminary Portfolio" **where the selection method for the preliminary portfolio is further described.**

See also 2.2.8.6 Eligibility Criteria

(19) it is randomly allocated for offer to the Issuer;

See also 2.2.9.2 Repurchase of Receivables by the Seller

PCS notes that the Preliminary Portfolio and Additional Portfolios during the revolving period are randomly selected. PCS also notes that non-compliant and Defaulted Receivables can be repurchased (2.2.9.2 and 2.2.9.3 of UNDERLYING ASSETS) and the Repurchase Price is clearly described as the Principal balance or synthetic balance in the case of the discounted POS receivables (synthetic receivables).

The EBA Guidelines set out seven devices to repurchase securitised assets which are not to be considered indicative of "active portfolio management". To the extent that a transaction only contains some or all of those seven devices and does not provide any other form of repurchase, then the STS criterion will be met. If the transaction should contain a repurchase device that is not included in the EBA's list, then an analysis will need to be conducted as to whether this additional device offends against the principles set out in the EBA Guidelines (15.a and b) as defining "active portfolio management".

PCS has reviewed all the repurchase devices set out in the Prospectus and these are acceptable within the context of the EBA final guidelines. The buy-back price is clearly documented. PCS also notes that there is an explicit affirmative statement in the Prospectus to the effect that no active management of the assets backing the Transaction applies.

8

STS Criteria

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

Verified?

YES

PCS Comments

See section 2.2.2.3.3 of the Additional Information

2.2.2.3.3. Eligibility Criteria

In order for the Additional Receivables to be assigned to, and acquired by, the Fund, each Additional Receivable shall, on the relevant Cut-Off Date, individually satisfy all the Eligibility Criteria established in section 2.2.8.6 below.

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.

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	Verified? YES
	<p>9. The securitisation shall be backed by a pool of underlying exposures that are homogeneous in terms of asset type, taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit risk and prepayment characteristics. A pool of underlying exposures shall only comprise one asset type.</p>	
	<p>PCS Comments</p> <p>See 2.2.8.6 Eligibility Criteria</p> <p>(1) it has arisen under a Point of Sale Facility or a PIL Facility;</p> <p>(2) it was otherwise created and complies with all applicable laws (including consumer credit laws, consumer protection laws and Usury Law, provided that no breach of a Seller Asset Warranty shall arise as a result of a Court ruling declaring that the contractual interest rate relating to one or more Receivables is usurious under the Usury Law, if notwithstanding such ruling, paragraph (a) of the Portfolio Concentration Levels would still be satisfied);</p> <p>(3) it was originated and serviced in accordance with the Seller's Guidelines;</p> <p>(5) each Obligor in respect of the Receivables is an individual and resident in Spain (at the date of execution of the UPL Agreement);</p> <p>(26) it has been originated by the Seller;</p> <p>(30) the Receivables are homogeneous in terms of asset type, cash flow, credit risk and prepayment characteristics and contain obligations that are contractually binding and enforceable, with full recourse to debtors, and where applicable, guarantors, within the meaning of Article 20.8 of the EU Securitisation Regulation. Regarding the homogeneity factor to be met: (i) all Obligors are resident individuals with residence in the same jurisdiction (Spain) only; (ii) all Receivables have been underwritten according with standards that apply similar approaches for assessing associated credit risk; and (iii) are serviced in accordance with similar procedures for monitoring, collecting and administering.</p> <p>"Credits" ("Créditos") means the Spanish consumer credits owned by the Seller being (i) Point of Sale Facilities and PIL Facilities, from which the Receivables shall arise.</p> <p>"UPL Agreement" ("Contrato UPL") means the agreement or contract governing a Point of Sale Facility or a PIL Facility and references to "UPL Agreement" shall mean any of them.</p> <p>See also 2.2.8.5 Representations of the Seller as to matters of fact</p> <p>(7) Ordinary Course of Business: Each Receivable was originated by the Seller on its own account and arose from the ordinary course of the Seller's unsecured consumer credit activities in Spain. Furthermore, the securitisation of the Receivables is within the ordinary course of the Seller's business activities in Spain.</p> <p>See also 2.2.7 The method of origination or creation of assets, and for loans and credit agreements, the principal lending criteria and an indication of any loans which do not meet these criteria and any rights or obligations to make further advances</p> <p><i>In accordance with the Final Report of the Draft Regulatory Technical Standards on the homogeneity of the underlying exposures in STS securitisation under Articles 20(14), 24(21) and 26b(13) of Regulation (EU) 2017/2402, as amended by Regulation (EU) 2021/557, the asset class can be considered homogeneous.</i></p> <p><i>According to DD materials and description in the Prospectus there are two types of consumer loans, the "Point of Sale" loans and the Personal Loans (PIL). Both products can be considered consumer loans.</i></p>	

PCS notes that the asset class is “credit facilities provided to individuals...” complying with article 1, (a) (iii), b, c, d of the “RTS”, article 2 not being applicable in this case. All Obligors are located in Spain. The Origination platform is the same.

The definition of “homogeneity” in the Regulation is the subject of a Regulatory Technical Standard (“RTS”), issued by the European Commission on 7th November 2023, amending the draft RTS EU) 2019/1851. 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.

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, in principle, four elements require examination: (a) “similar underwriting standards”, (b) “similar servicing standards”, (c) “same asset class” and (d) “relevant risk factors”. Consumer loans are though considered sufficiently homogeneous and do not need to meet also a specific homogeneity factor.

Following the guiding principles of the EBA, 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 loans were underwritten on a similar basis, they are being serviced by Pepper Finance Corporation, S.L.U. on the same platform, they are a single asset class – consumer loans – and the loans are all originated in the same jurisdiction. PCS also takes comfort from the fact that transactions containing pools with similar characteristics have always been considered to be “homogenous” by a wide consensus of market participants.

10	STS Criteria	Verified? YES
	10. The underlying exposures shall contain obligations that are contractually binding and enforceable.	
	PCS Comments	
	See 2.2.8.6 Eligibility Criteria, (30) as quoted in item 9, above.	
11	STS Criteria	Verified? YES
	11. With full recourse to debtors and, where applicable, guarantors.	
	PCS Comments	
	See 2.2.8.6 Eligibility Criteria, (30) as quoted in item 9, 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.		
12	STS Criteria	Verified? YES
	12. The underlying exposures shall have defined periodic payment streams, the instalments of which may differ in their amounts.	
	PCS Comments	
	See 2.2.8.6 Eligibility Criteria	
	(8) is payable by the Obligor in monthly instalments;	
	(9) is fully amortising;	

	(14) if it is a Receivable arising from a PIL Facility, the interest rate in relation to it is at least 9.90 per cent;	
13	<p>STS Criteria</p> <p>13. Relating to rental, principal, or interest payments, or to any other right to receive income from assets supporting such payments. The underlying exposures may also generate proceeds from the sale of any financed or leased assets.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>"PIL Facilities" ("Créditos PIL") means consumer credit facilities originated by the Seller for the purposes of financing general needs of the relevant Obligor (but not linked to a specific product or service), advanced under an existing Point of Sale Facility or PIL Facility of that Obligor and which is used only in part to refinance in full all outstanding amounts under such existing Point of Sale Facility or PIL Facility.</p> <p>"Point of Sale Facilities" ("Créditos Puntos de Venta") means point of sale credits originated by the Seller for the purposes of financing the purchase by the relevant Obligor of a specific product or service from a supplier.</p> <p>See 3.5. Pepper Spain</p> <p>"Pepper Spain has more than ten years of experience in the origination and underwriting of <u>unsecured consumer credits</u> similar to those included in the Securitised Portfolio."</p> <p>See also 2.2.7 The method of origination or creation of assets</p> <p>Collections and Recovery, General</p> <p>The Seller has an end-to-end internal management model of debt collection. In order to optimise the efficiency of the collection process, it is divided into three stages: the prevention stage (before customer is in arrears), early arrears management (up to 90 days past due ("dpd")) and recovery stage (from 90dpd onwards). All debts are unsecured. The Receivables (including credits to POS borrowers) are unsecured and the <u>Seller does not have recourse to the goods purchased by the relevant borrower.</u></p> <p>PCS notes that both products that are being securitised are unsecured consumer loans as described in the Prospectus.</p>	

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.

14	<p>STS Criteria</p> <p>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.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See Prospectus, ADDITIONAL INFORMATION TO BE INCLUDED, 2. THE UNDERLYING ASSETS, sections 2.2.13 and 2.2.14</p> <p>The Receivables do not include transferable securities, as defined in point (44) of article 4(1) of MiFID II nor any securitisation position.</p> <p>PCS notes that according to the Eligibility Criteria no transferable security can be included in the underlying portfolio.</p>	

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

15	<u>STS Criteria</u> 15. The underlying exposures shall not include any securitisation position.	<u>Verified?</u> YES
	<u>PCS Comments</u> See point 14, above,	

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

16	STS Criteria	Verified? YES
	16. The underlying exposures shall be originated in the ordinary course of the originator's or original lender's business.	
	PCS Comments	
	See also 2.2.8.5 Representations of the Seller as to matters of fact (6) Ordinary Course of Business: Each Receivable was originated by the Seller on its own account and arose from the ordinary course of the Seller's unsecured consumer credit activities in Spain. Furthermore, the securitisation of the Receivables is within the ordinary course of the Seller's business activities in Spain. See also 2.2.7 The method of origination or creation of assets, and for loans and credit agreements, the principal lending criteria and an indication of any loans which do not meet these criteria and any rights or obligations to make further advances	
17	STS Criteria	Verified? YES
	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.	
	PCS Comments	
	Underwriting exceptions The underwriting standards applied by the Seller in connection with the origination of the Receivables were no less stringent than those that the Seller applied at the time of origination to similar credits that are not securitised. On a case-by-case basis the Seller may have determined that, based upon compensating factors, an applicant that did not strictly qualify under its Seller's Guidelines at that time warranted an underwriting exception. Compensating factors may be considered including, but not limited to, overall affordability position and track record with the organisation. Any such exceptions would have been approved by an authorised mandate holder of the Seller. See also 2.2.8.3 Seller Warranties (1) <i>No Adverse Selection Procedures</i> : No selection procedures adverse to the Noteholders and rest of creditors of the Fund are employed by the Seller in selecting the Receivables from amongst the Eligible UPL Agreements in Securitised Portfolio, 2.2.8.6 Eligibility Criteria (19) it is randomly allocated for offer to the Issuer;	

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

18	STS Criteria	Verified? YES
	<p>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.</p> <p>PCS Comments</p> <p>Changes to the Seller's Guidelines</p> <p>The Seller may vary the Guidelines from time to time subject to certain conditions – see sub-section titled “Amendments to the Seller’s Guidelines” in section 3.7 of the Additional Information below for further details.</p> <p>Any material changes from the Seller’s prior underwriting policies and Seller’s Guidelines shall be disclosed without undue delay to the extent required under Article 20(10) of the EU Securitisation Regulation.</p> <p><i>The EBA Guidelines make clear that the part of the criterion referring to changes from prior underwriting is a future event criterion. It applies changes in underwriting criteria that occur post-closing. In other words, it cannot be either met or failed at the outset of the transaction. But if, at a later stage, it is not met, then the Originator will need to inform ESMA and the STS status of the securitisation will be lost.</i></p> <p><i>Therefore, as a technical matter, this criterion is not applicable at the closing of a transaction. However, PCS will nevertheless look to see if there is a covenant on the part of the originator to comply in the future with this requirement whilst noting at the same time that the absence of any such covenant – although possibly unsettling for some investors – would not invalidate the STS status of the transaction at closing.</i></p>	

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

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

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

20	<p>STS Criteria</p> <p>20. The assessment of the borrower's creditworthiness shall meet the requirements set out in Article 8 of Directive 2008/48/EC or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU or, where applicable, equivalent requirements in third countries.</p>	Verified? YES
	<p>PCS Comments</p> <p>See General Lending Criteria</p> <p>See 2.2.7 The method of origination or creation of assets</p> <p>The credit granting process applied by the Seller complies with Directive 2008/48/EC which was transposed into Spanish Law 16/2011 on 24 June 2011 (Ley 16/2011 sobre Contratos de Crédito al Consumo).</p> <p>PCS notes that the requirements of the EU directive have been implemented into Spanish law (Law 16/2011) and the assets have been underwritten after 2011.</p> <p><i>The criterion requires consumer loans or mortgages to have been underwritten in accordance with one of two European Directives. European Directives, in contrast to Regulations, do not have direct effect but must be implemented into national law country by country.</i></p> <p><i>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.</i></p>	

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

21	<p>STS Criteria</p> <p>21. The originator or original lender shall have expertise in originating exposures of a similar nature to those securitised.</p>	Verified? YES
	<p>PCS Comments</p> <p>See 3.5. Pepper Spain</p> <p>Pepper Spain is the financial business branch of Pepper Assets Services, S.L.U. (the Servicer). Its main activity is the granting of financing to consumers in the form of consumer credits for the acquisition of goods and services or for general consumption purposes decided by the borrowers.</p> <p>These credit facilities are granted directly to borrowers or through its network of merchants providers of the goods and services financed by Pepper Spain in a wide variety of sectors.</p> <p>Pepper Spain has more than ten years of experience in the origination and underwriting of unsecured consumer credits similar to those included in the Securitised Portfolio (and its mother company Pepper Assets Services, S.L.U., the Servicer, has more than 10 years in the consumer credit servicing market).</p> <p>PCS notes that in accordance with the Due Diligence Materials Pepper has more than five years of experience in originating assets similar to those securitised.</p> <p><i>An entity originating assets similar to those securitised for at least five years is deemed, according to the EBA Guidelines to have "expertise".</i></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...

22	STS Criteria	Verified? YES
	22. The underlying exposures shall be transferred to the SSPE after selection without undue delay...	
	PCS Comments	
	<p>See 3.3.2.1. <u>Assignment of the Initial Receivables</u></p> <p>The assignment by the Seller of the Initial Receivables will be legally effective from the Incorporation Date and will be documented by means of the Master Receivables Sale Agreement (as a notarial deed «póliza») (which will include a list of the Initial Receivables assigned to the Fund) executed simultaneously with the Deed of Incorporation and upon incorporation of the Fund.</p> <p>Notwithstanding the above, the Seller and the Management Company have agreed that the assignment of the Initial Receivables will have economic effects from (and including) the Initial Assignment Cut-Off Date. Therefore, any amounts collected under the Receivables (whether for principal, interest or others) as well as any interest accrued on the Receivables on or after the Initial Assignment Cut-Off Date shall belong to the Fund.</p> <p><u>Both Initial Receivables and Additional Receivables</u></p> <p>Any Receivables (either the Initial Receivables or the Additional Receivables) to be offered by the Seller to the Fund will be existing Eligible Receivables held by the Seller on the Incorporation Date (in respect of the Initial Receivables) or on the relevant Purchase Date (in respect of the Additional Receivables), will be randomly selected (in the case of the Initial Receivables, from the Preliminary Portfolio) and shall meet the relevant Eligibility Criteria (as applicable), as set forth (i) in sub-section “Assignment of the Initial Receivables” above (in respect of the Initial Receivables); and (ii) in section 2.2.2.3.3 of the Additional Information (in respect of the Additional Receivables).</p> <p>Such assignment will be made in the terms described in section 3.3.1 et seq. of the Additional Information.</p> <p>3.3.3. Receivables assignment terms</p> <p>(a) Initial Receivables: from (and including) the Initial Assignment Cut-Off Date (i.e., 31 August 2024); and</p> <p>(b) Additional Receivables: from (and including) the relevant Cut-Off Date.</p> <p>See 3.3.2 Formalisation of the assignment of the Receivables,</p> <p>3.3.2.2.1. Procedure for the acquisition of Additional Receivables</p> <p>The purchase procedure for the acquisition of Additional Receivables shall be the following:</p> <p>(a) The Seller may, from time to time, on any Offer Date during the Revolving Period by delivering to the Issuer, on or prior to 12 noon (Madrid time) of the proposed Purchase Date, a purchase offer thereby offering to the Fund the transfer of the Additional Receivables specified in such Purchase Offer, as of the close of business on the related Cut-Off Date (the “Purchase Offer”).</p> <p>(b) Prior to or simultaneously with the giving of each such Purchase Offer, the Seller shall send to the Management Company the electronic files, in the format and with the content agreed as per the Master Receivables Sale Agreement, with account by account information related to the provisional Eligible Receivables Pool.</p>	

The Seller shall indicate in each Purchase Offer of Additional Receivables (i) the number of the selected Receivables, (ii) the aggregate Principal Balance of the selected Receivables, (iii) the average interest rate of the selected Receivables weighted by their respective Principal Balance and (iv) any additional information relating to the related ancillary rights.

(c) Upon delivery of a Purchase Offer, the Management Company, in the name and on behalf of the Fund, shall communicate the Seller the acceptance of such Purchase Offer in respect of all Eligible Receivables the subject of such Purchase Offer on or prior to 6:00 p.m. (Madrid time) of the proposed Purchase Date and shall purchase such Eligible Receivables on the Purchase Date specified in the Purchase Offer.

(d) Upon acceptance of any Purchase Offer and subject to the Seller receiving the Purchase Price, for each such Receivable, each Additional Receivable listed in respect of such Purchase Offer shall thereafter be a Transferred Receivable, until it is subsequently repurchased if that is the case, and all of the Seller's rights, title and interest in and to the Additional Receivables shall thereupon vest in the Issuer.

(e) The Management Company, acting for and on behalf of the Issuer, shall give the appropriate instructions to the Accounts Bank for the Purchase Price of the Additional Receivables to be debited from the Transaction Account to be paid to the Seller two days at the latest after the acceptance of the Purchase Offer.

For the purposes of this section:

"Offer Date" means the date on which the Seller makes a Purchase Offer in accordance with this section and the provisions of the Master Receivables Sale Agreement which may be (i) a Monday or (ii) a Wednesday which is a Business Day during the Revolving Period (or following Business Day) provided that there shall not be more than two Offer Dates per calendar week.

The days of the week on which a Purchase Offer could take place could be modified in the future by agreement between Seller and the Management Company (acting on behalf of the Fund).

PCS notes that the time difference between the relevant Cut-Off date and Offer Date is 1 Business Day, initially it shall be slightly longer, though the effective date for the sale will initially be the initial cut-off date, so there is no difference between selection and economic sale, the time differences being in both cases in accordance with the Regulation.

23

STS Criteria

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...

**Verified?
YES**

PCS Comments

2.2.8.6 Eligibility Criteria

(12) it is not a Defaulted Receivable or written-off credit pursuant to the Seller's Guidelines;

(11) it does not have any instalment due and unpaid;

(25) as far as the Seller is aware, no Obligor in respect of it is the subject of any bankruptcy or insolvency proceedings (concurso) or has 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 which remains outstanding;

(31) To the best of the Seller's knowledge (as at the time of selection), no Receivable is owed by an Obligor who is a credit-impaired debtor as described in Article 20(11) of the EU Securitisation Regulation and in accordance with any official guidance issued in relation thereto.

(32) The Credits are not in default within the meaning of article 178(1) of CRR.

"Defaulted Receivable(s)" ("Derechos de Crédito Fallidos") means each Transferred Receivable in respect of which, in accordance with the Guidelines or the Servicer's customary and usual servicing procedures, the Servicer has recorded in its system that such Transferred Receivable is five (5) or more instalments (including any partially unpaid instalment) past due.

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

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

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

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

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

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

24	STS Criteria	Verified? YES
PCS Comments		
2.2.8.6 Eligibility Criteria		
(12) it is not a Defaulted Receivable or written-off credit pursuant to the Seller's Guidelines;		
(25) as far as the Seller is aware, no Obligor in respect of it is the subject of any bankruptcy or insolvency proceedings (concurso) or has 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 which remains outstanding;		
(31) To the best of the Seller's knowledge (as at the time of selection), no Receivable is owed by an Obligor who is a credit-impaired debtor as described in Article 20(11) of the EU Securitisation Regulation and in accordance with any official guidance issued in relation thereto.		
<i>The note below applies to points from 24 to 29.</i>		
<i>Although the text of the STS Regulation is quite vague, the EBA guidelines on defining "credit impaired" debtors are very helpful.</i>		
<i>For PCS, the key points of the EBA guidelines on this issue are:</i>		
<i>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.</i>		
<i>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.</i>		
<i>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.</i>		
<i>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.</i>		
<i>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</i>		

	<p><i>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.</i></p> <p>c. <i>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”.</i></p>	
25	<p>STS Criteria</p> <p>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.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>2.2.8.6. Eligibility Criteria</p> <p>(25) as far as the Seller is aware, no Obligor in respect of it is the subject of any bankruptcy or insolvency proceedings (concurso) or has 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 which remains outstanding;</p>	
26	<p>STS Criteria</p> <p>26. Or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the SSPE, except if:</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>2.2.8.6 Eligibility Criteria</p> <p>(17) To the best of the Seller’s knowledge it is not subject to a Repayment Plan, debt restructuring or any other restructuring and was not subject to a Repayment Plan or any other restructuring at any time during the last three years prior to it being assigned to the Fund;</p> <p>“Repayment Plan” means a repayment plan provided by the Servicer for customers experiencing financial difficulties.</p> <p>See 2.2.7 The method of origination or creation of assets, Approval process</p> <p>There is no publicly available credit registry of persons with adverse credit history in Spain (but only credit bureaux where debts being actually unpaid on the date of report may be registered and which are cleared – leaving no trace of the historical default – after debt has been repaid or after more than five (5) years have lapsed since the initial registration), and it is not possible to establish with certainty whether an Obligor has undergone a debt-restructuring process with regard to his non-performing exposures. To the best of the Seller’s knowledge (as at the date of origination of the relevant Receivable), the relevant Obligor was neither on such a registry of persons, nor had undergone a debt-restructuring process with regard to his non-performing exposures.</p> <p>PCS notes that the obligors with a Repayment Plan, as referred to as one of the Eligibility Criteria, are by definition not credit impaired debtors within the meaning of article 20(11). Debtors with a repayment plan are excluded for the purposes of this transaction.</p>	
27	<p>STS Criteria</p> <p>27. (i) a restructured underlying exposure has not presented new arrears since the date of the restructuring which must have taken place at least one year prior to the date of transfer or assignment of the underlying exposures to the SSPE; and</p>	<p>Verified? YES</p>
	<p>PCS Comments</p>	

	Not applicable, see item 25, above, EC (17).	
28	<p>STS Criteria</p> <p>28. (ii) the information provided by the originator, sponsor and SSPE in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring;</p>	Verified? YES
	<p>PCS Comments</p> <p>Not applicable, see item 25, above, EC (17).</p>	
29	<p>STS Criteria</p> <p>29. (b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the originator or original lender;</p>	Verified? YES
	<p>PCS Comments</p> <p>See 24, above. See 2.2.7 The method of origination or creation of assets, Approval process There is no publicly available credit registry of persons with adverse credit history in Spain (but only credit bureaux where debts being actually unpaid on the date of report may be registered and which are cleared – leaving no trace of the historical default – after debt has been repaid or after more than five (5) years have lapsed since the initial registration), and it is not possible to establish with certainty whether an Obligor has undergone a debt-restructuring process with regard to his non-performing exposures. To the best of the Seller's knowledge (as at the date of origination of the relevant Receivable), the relevant Obligor was neither on such a registry of persons, nor had undergone a debt-restructuring process with regard to his non-performing exposures.</p>	
30	<p>STS Criteria</p> <p>30. (c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the originator which are not securitised.</p>	Verified? YES
	<p>PCS Comments</p> <p>2.2.8.3. Seller Asset Warranties: (6) No Adverse Selection Procedures: No selection procedures adverse to the Noteholders and rest of creditors of the Fund are employed by the Seller in selecting the Receivables from amongst the Eligible UPL Agreements in Securitised Portfolio, 2.2.8.6 Eligibility Criteria (19) it is randomly allocated for offer to the Issuer; PCS notes that for consumer loans as an asset class the selection is on a random basis.</p>	

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

31	<p>STS Criteria</p> <p>31. The debtors shall at the time of transfer of the exposures, have made at least one payment, except in the case of revolving securitisations backed by exposures payable in a single instalment or having a maturity of less than one year, including without limitation monthly payments on revolving credits.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>2.2.8.6. Eligibility Criteria</p> <p>(10) at least one payment of principal and/or interest has fallen due and been paid in respect of it;</p>	

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

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

32	<p>STS Criteria</p> <p>32. The repayment of the holders of the securitisation positions shall not have been structured to depend predominantly on the sale of assets securing the underlying exposures.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>2.2.8.6. Eligibility Criteria</p> <p>(8) is payable by the Obligor in monthly instalments;</p> <p>(9) is fully amortising;</p> <p>See also 2.2.7 The method of origination or creation of assets</p> <p>Collections and Recovery</p> <p>General</p> <p>The Seller has an end-to-end internal management model of debt collection. In order to optimise the efficiency of the collection process, it is divided into three stages: the prevention stage (before customer is in arrears), early arrears management (up to 90 days past due (“dpd”)) and recovery stage (from 90dpd onwards). All debts are unsecured. The Receivables (including credits to POS borrowers) are unsecured and the Seller does not have recourse to the goods purchased by the relevant borrower.</p> <p>PCS notes that the Loans are fully amortising and an unsecured claim for repayment of the obligor as clearly described in the Prospectus.</p>	

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

33	STS Criteria	Verified? YES
	33.The originator, sponsor or original lender shall satisfy the risk retention requirement in accordance with Article 6.	
	PCS Comments	
	<p>3.4.3. Risk retention requirement, 3.4.3.1. EU Retention Requirement</p> <p>The Seller, as Originator, will undertake in the Deed of Incorporation to retain, on an ongoing basis, a material net economic interest in the securitisation of not less than 5% in accordance with Article 6(1) of the EU Securitisation Regulation and Article 6(1) of the UK Securitisation Regulation as in effect and applicable on the Incorporation Date by retaining the first loss tranche so that the retention equals in total not less than 5% of the nominal value of the securitized exposures (being the Class J Notes) in accordance with Article 6(3)(d) of the EU Securitisation Regulation, as supplemented by article 7 of the Delegated Regulation 2023/2175 and Article 6(3)(d) of the UK Securitisation Regulation as in force and applicable on the Incorporation Date.</p> <p>In addition, the Seller has undertaken that the material net economic interest held by it shall not be subject to any credit-risk mitigation or hedging, in accordance with Article 6(1) of the EU Securitisation Regulation and Article 6(1) of the UK Securitisation Regulation, except as permitted by the Delegated Regulation 2023/2175 (or any related regulation) and the UK Securitisation Regulation (or any related rules).</p> <p>The retention option and methodology used to calculate the net economic interest will not change, unless such change is required due to exceptional circumstances and that change is not used as a means to reduce the amount of the retained interest, in which case such change will be appropriately disclosed to Noteholders and published on the following website www.imtitulizacion.com.</p> <p>The Deed of Incorporation will include a representation and warranty and undertaking of the Originator as to its compliance with the requirements set forth in Article 6(1) of the EU Securitisation Regulation and Article 6(1) of the UK Securitisation Regulation as in force and applicable on the Incorporation Date. In addition to the information set out herein and forming part of this Prospectus, the Originator has undertaken to make available materially relevant information to investors so that investors are able to verify compliance with Article 6 of the EU Securitisation Regulation and Article 6(1) of the UK Securitisation Regulation as in force and applicable on the Incorporation Date in accordance with Article 7 of the EU Securitisation Regulation or Article 7 of the UK Securitisation Regulation (as applicable), as set out in section 4.2.1 of this Additional Information. In particular, the quarterly reports shall include information about the risk retained pursuant to article 6(1) of the EU Securitisation Regulation, including information on which of the modalities of retention have been applied as provided for in article 6(3) of the EU Securitisation Regulation pursuant to paragraph 1(e)(iii) of article 7 of the EU Securitisation Regulation.</p> <p>See 3.1.2 Pepper Finance Corporation, S.L.U. ("Pepper Spain" or the "Seller")</p> <p>Pepper Spain participates as: [...]</p> <p>In its capacity as Originator, the Seller undertakes and agrees (for the purposes of the Retention Requirements):</p> <p>(a) to retain on an on-going basis, a material net economic interest in the securitisation of not less than 5 per cent. of the nominal value of the securitised exposures for the purposes of Article 6(1) of the EU Securitisation Regulation and Article 6 of the UK Securitisation Regulation (as in effect and interpreted at the Disbursement Date), represented by the Class J Notes (the Retained Interest);</p> <p>(b) to retain the Retained Interest by holding the first loss tranche so that the retention equals in total not less than 5% of the nominal value of the securitised exposures in the securitisation in accordance with Article 6(3)(d) of the EU Securitisation Regulation (as supplemented by article 7 of the Delegated Regulation 2023/2175) and Article 6(3)(d) of the UK Securitisation Regulation (as in effect and interpreted at the Disbursement Date);</p> <p>(c) not to change the manner or form in which it retains the Retained Interest, except as permitted under the EU Securitisation Regulation and the UK Securitisation Regulation (as in effect and interpreted at the Disbursement Date);</p>	

- (d) not to dispose of, assign or transfer its rights, benefits or obligations in respect of the Retained Interest, except as permitted under the EU Securitisation Regulation and the UK Securitisation Regulation (as in effect and interpreted at the Disbursement Date);
- (e) not to take any action which would reduce its exposure to the economic risk of the Retained Interest in such a way that it ceases to hold the Retained Interest except as permitted under the EU Securitisation Regulation and the UK Securitisation Regulation (as in effect and interpreted at the Disbursement Date);

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

34	STS Criteria 34. The interest rate...risks arising from the securitisation shall be appropriately mitigated.	Verified? YES
	<p>PCS Comments</p> <p>3.4.2.1. Credit enhancements and liquidity support</p> <p>(e) Swap Transaction</p> <p>The Interest Rate Swap Agreement mitigates part of the interest rate risk arising from potential future increases of the interest rate applicable to the Notes (1-month EURIBOR) above the interest rate applicable under the fixed Credits. The main terms and conditions of the Interest Rate Swap Agreement are described in section 3.4.8.1 of this Additional Information.</p> <p>The Fund has not entered into and will not enter into any kind of hedging instrument save as expressly permitted by Article 21 (2) of the EU Securitisation Regulation.</p> <p>The Initial Receivables do not include derivatives and the Additional Receivables shall not include derivatives.</p> <p>Additionally, there is no currency risk given that both the Receivables and the Notes are denominated in the same currency (€).</p> <p>See also 3.4.8.1 Interest Rate Swap Agreement</p> <p>General</p> <p>On or about the Incorporation Date, the Management Company, on behalf of the Fund, shall enter into the Interest Rate Swap Agreement with the Swap Counterparty in order to hedge the potential interest rate exposure of the Fund in relation to its floating rate interest obligations under the Notes and match the floating nature of the interest rate payable under the Notes and the fixed nature of the interest rate payable under the Credits. The Interest Rate Swap Agreement will be drafted in the form of an INTERNATIONAL SWAPS AND DERIVATIVES ASSOCIATION (ISDA) 2002 Master Agreement, together with the relevant Schedule, the Credit Support Annex and the initial Confirmation (as these terms are defined in the Interest Rate Swap Agreement). [...]</p> <p>PCS notes that a interest rate swaps are put in place which are based on the notional amount outstanding.</p> <p><i>Clearly and explicitly, "appropriate" hedging does not require "perfect" hedging. This is confirmed by the EBA Guidelines which require the hedges to cover a "major share" of the risk from an "economic perspective". However, the definition of "appropriate" hedging or a "major share" of the risk will always contain an element of subjectivity and must be analysed on a case by case basis.</i></p>	

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

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

- A statement in the Prospectus or other document setting out the boundary conditions of the hedging. This should state in effect how far the hedging stretches and under what scenario's it will break. For example, if interbank rates rise above X%. This will provide a common-sense feel for whether, at first glance, the hedging is reasonable.

Risk Factors section of the Prospectus to check that no statements refer to the risks of "unhedged positions". This is based on the legal requirement to disclose any relevant information to investors. If the originator or its advisers believed that the hedging in a transaction was unusually light, this should be disclosed in the Risk Section.

35	STS Criteria	Verified?
	35. Currency risks arising from the securitisation shall be appropriately mitigated.	YES
	PCS Comments	
	3.4.2.1. Credit enhancements and liquidity support, (e) Swap Transaction	
	"Additionally, there is no currency risk given that both the Receivables and the Notes are denominated in the same currency (€)."	
	In the absence of any currency mismatch, no currency hedging is necessary.	
36	STS Criteria	Verified?
	36. Any measures taken to that effect shall be disclosed.	YES
	PCS Comments	
	See point 34 above.	
	See also Risk factors, 2.1.1. Interest rate risk	
	The assets of the Fund will be made up of the Receivables representing the economic rights in the Credits selected from among those comprising the Preliminary Portfolio. In this regard, 100% of the Receivables comprising the Preliminary Portfolio accrue interest at a fixed rate.	
	On the other hand, the liabilities of the Fund will consist mainly of the Notes, which will accrue interest by reference to an annual nominal floating interest rate.	
	Therefore, the Issuer is subject to the risk of mismatch between the fixed rates of interest payable on the Receivables and the variable interest rate payable in respect of the Notes, which is mitigated (but not eliminated) by the Interest Rate Swap Agreement. [...]	
	For illustrative purposes, the weighted average interest rate of (i) the Notes is equal to 4.55% as of 3 October 2024 (assuming a 1-month EURIBOR rate of 3.33% on 3 October 2024); and (ii) the Weighted Average Yield of the Initial Receivables is 14.4% as of 31 August 2024.	
	Furthermore, the Swap Transaction may be terminated by one party for various fault and non-fault based reasons. In the event that the Swap Transaction is terminated (for any reason), the Issuer will endeavour but cannot guarantee to find a replacement Swap Counterparty. If a replacement Swap Counterparty cannot be found or to the extent that the notional amount of any Swap Transaction in place is less than the Principal Amount Outstanding of the Notes, the Interest Available Funds may not be sufficient to pay interest on the	

Notes. In these circumstances, the Noteholders may experience delays and/or reductions in the interest payments to be received by them, and the Rated Notes may also be downgraded.

See Risk Factors,

1.2.7 Risk relating to benchmarks and the hedging agreement

For further information on the potential consequences arising from an early termination of the Interest Rate Swap Agreement, please refer to Risk Factors 2.1.1 (Interest Rate Risk) and 1.2.7 (Risk relating to benchmarks and the hedging agreement).

See also 3.4.5.1 Fund Accounts

Swap Collateral Account

Within three (3) Business Days following the occurrence of a Swap Counterparty Downgrade Event (as this term is defined in section 3.4.8.1 of the Additional Information), the Management Company shall open with the Accounts Bank the Swap Collateral Account.

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.

<p>37 STS Criteria 37. Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and...</p>	<p>Verified? YES</p>
<p>PCS Comments 3.4.2.1. Credit enhancements and liquidity support, (e) Swap Transaction "The Fund has not entered into and will not enter into any kind of hedging instrument save as expressly permitted by Article 21 (2) of the EU Securitisation Regulation." See 3.1.2 Pepper Finance Corporation, S.L.U. ("Pepper Spain" or the "Seller") Pepper Spain participates as: [...] In its capacity as Originator, the Seller undertakes and agrees (for the purposes of the Retention Requirements): (e) not to take any action which would reduce its exposure to the economic risk of the Retained Interest in such a way that it ceases to hold the Retained Interest except as permitted under the EU Securitisation Regulation and the UK Securitisation Regulation (as in effect and interpreted at the Disbursement Date);</p>	
<p>38 STS Criteria 38. ...Shall ensure that the pool of underlying exposures does not include derivatives.</p>	<p>Verified? YES</p>
<p>PCS Comments 3.4.2.1. Credit enhancements and liquidity support, (e) Swap Transaction</p>	

"The Initial Receivables do not include derivatives and the Additional Receivables shall not include derivatives."

39	STS Criteria	Verified?
	39. Those derivatives shall be underwritten and documented according to common standards in international finance.	YES
PCS Comments		
2.1.1. Interest rate risk		
In order to protect the Fund from a situation where EURIBOR increases to such an extent that the Collections are not sufficient to cover the Fund's obligations under the Notes, the Fund will enter into one or more interest rate swap transactions (jointly the "Swap Transaction") governed by a 2002 ISDA Master Agreement (the "Interest Rate Swap Agreement") with Banco Santander, S.A. (the "Swap Counterparty"), which shall at all times be (or its credit support provider shall at all times be) an institution rated in accordance with the provisions of the Interest Rate Swap Agreement, to hedge the Notes against potential future increase of 1-month EURIBOR above the fixed interest rate applicable under the Credits.		

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

40	STS Criteria	Verified?
	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.	YES
PCS Comments		
<u>Regarding the Assets:</u>		
<i>The PIL Loans have a fixed interest rate which may change in very few cases over the term of the loan (such interest rate variance being known from the beginning), the POS loans are repaid in instalments like a lease and for the purpose of this transaction have a "synthetic interest rate", which arises implicitly through the purpose using a discount.</i>		
See also 2.2.8.6 Eligibility Criteria		
(13) the interest rate in relation to it is a fixed rate of interest (and for the avoidance of doubt, the relevant UPL Agreement may specify more than one fixed rate of interest over the term of the Credit);		
(14) if it is a Receivable arising from a PIL Facility, the interest rate in relation to it is at least 9.90 per cent;		
"Synthetic Interest Rate" ("Tipo de Interés Sintético") means, in relation to each Synthetic Receivable, the annual interest rate for the relevant Synthetic Receivable, being the implicit interest rate (tipo de interés implícito) which would be earned on such Synthetic Receivable assuming that:		
(a) the total amount repayable by the Obligor under such Synthetic Receivable; <i>minus</i>		
(b) the discount made to the relevant merchant or any fees or costs financed as part of the balance of such Synthetic Receivable.		
"Synthetic Receivable" means a Point of Sale Facility arising under a UPL Agreement in respect of which, irrespectively of any interest rate payable by the Obligor, either (i) the yield comprises a discount made to the relevant merchant or there have been Transaction Fees and/or Periodic Finance Charges financed as part of the Principal Balance or (ii) the original principal amount is reduced on the origination date by payment by the relevant Obligor of an initial amount, or (iii) a combination of (i) and (ii).		

Regarding the Notes

See 4.8.3 Interest Rate

The Interest Rate for each Interest Accrual Period will be:

- (a) in respect of the Class A Notes, a floating rate equal to the Reference Rate plus a margin of 0.90% per annum (the "Class A Interest Rate"), provided that, if such resulting Interest Rate falls below 0 (zero), the applicable Interest Rate shall be equal to 0 (zero);
- (b) in respect of the Class B Notes, a floating rate equal to the Reference Rate plus a margin of 1.30% per annum (the "Class B Interest Rate"), provided that, if such resulting Interest Rate falls below 0 (zero), the applicable Interest Rate shall be equal to 0 (zero);
- (c) in respect of the Class C Notes, a floating rate equal to the Reference Rate plus a margin of 1.65% per annum (the "Class C Interest Rate"), provided that, if such resulting Interest Rate falls below 0 (zero), the applicable Interest Rate shall be equal to 0 (zero);
- (d) in respect of the Class D Notes, a floating rate equal to the Reference Rate plus a margin of 2.50% per annum (the "Class D Interest Rate"), provided that, if such resulting Interest Rate falls below 0 (zero), the applicable Interest Rate shall be equal to 0 (zero); and
- (e) in relation to the Class J Notes, a fixed rate equal to 7.0%, per annum (the "Class J Interest Rate").

"Reference Rate" ("Tipo de Referencia") means the reference rate for determining the Interest Rate applicable to the Notes in accordance with section 4.8.4 of the Securities Note.

4.8.4. Reference Rate

The reference rate (the "Reference Rate") for determining the Interest Rate is as follows:

- (a) The EURIBOR for the one-month Euro deposits which appears on Reuters EURIBOR01 or Bloomberg (or any other pages replacing these pages in the future) at or about 11.00 a.m. CET on the Reference Rate Determination Date (the "Screen Rate"). [...]

PCS notes that the Class A to E Notes are all based on 1 M Euribor and are floating rate notes and the assets bear fixed interest rates or function like a lease agreement with annuities and get purchased at a discount thereby implicitly bearing a fixed interest rate for the purposes of this transaction (Synthetic Receivables).

All rates are generally used market interest rates, in accordance with the Regulation.

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

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

41	STC Criteria	Verified? YES
<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>		
PCS Comments		
<p>3.4.7.3. Post-Enforcement Priority of Payments</p> <p>(i) Source</p> <p>“Post-Enforcement Available Funds” shall mean the sum of:</p> <p>(a) the Available Funds;</p> <p>(b) if an Early Liquidation Event occurs, any amounts obtained from the liquidation of the remaining Receivables or any other asset that belongs to the Fund, as provided on section 4.4.3 of the Registration Document;</p> <p>(c) if an Accelerated Amortisation Event occurs, the proceeds arising from the enforcement of the pledges granted under the Collection Accounts Pledge Agreements.</p> <p>“Post-Enforcement Available Funds” (“Fondos Disponibles de Liquidación”) means the sum of (a) Available Funds, (b) if an Early Liquidation Event occurs, any amounts obtained from the liquidation of the remaining Receivables or any other asset that belongs to the Fund, as provided on section 4.4.3 of the Registration Document; and (c) if an Accelerated Amortisation Event occurs, the proceeds arising from the enforcement of the pledges granted under the Collection Accounts Pledge Agreements.</p>		
42	STC Criteria	Verified? YES
<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>		
PCS Comments		
<p>4.9.4. Redemption of the Notes prior to the Notes Maturity Date</p> <p>The Fund will feature three periods of time:</p>		

- (a) the Revolving Period under which the Revolving Period Principal Priority of Payments applies (set forth in section 3.4.7 of the Additional Information);
- (b) the Amortisation Period under which the Amortisation Period Principal Priority of Payments applies (set forth in section 3.4.7 of the Additional Information), and
- (c) If an Accelerated Amortisation Event occurs, the Accelerated Amortisation Period, under which the Post-Enforcement Priority of Payments applies (set forth in section 3.4.7 of the Additional Information).

“Post-Enforcement Priority of Payments” (“Orden de Prelación de Pagos de Liquidación”) means the priority of payments applicable following the occurrence of (a) an Accelerated Amortisation Event or (b) and Early Liquidation Event.

Following the occurrence of an Accelerated Amortisation Event, redemption of the Notes will be sequential in accordance with the Post-Enforcement Priority of Payments as follows:

- (a) Class A Notes principal redemption holds the fourth (4th) place;
- (b) Class B Notes principal redemption holds the sixth (6th) place;
- (c) Class C Notes principal redemption holds the eighth (8th)place;
- (d) Class D Notes principal redemption holds the tenth (10th)place;
- (e) Class J Notes principal redemption holds the thirteenth (13th) place. [...]

3.4.7.3 Post-Enforcement Priority of Payments

Following the occurrence of (a) an Accelerated Amortisation Event or (b) and Early Liquidation Event, the Post-Enforcement Available Funds will be applied or provided for in accordance with the following order of priority (the “Post-Enforcement Priority of Payments”): [...]

“Accelerated Amortisation Event” (“Supuesto de Amortización Acelerada”) means the approval of an Enforcement Resolution by the Meeting of Creditors following the occurrence of an Event of Default (as defined in section 4.9.5 below).

4.9.5. Events of Default

If an Event of Default occurs and is continuing, the Meeting of Creditors shall be entitled (but not obliged) to:

- (a) if so requested in writing by the holders of at least 25 per cent. of the Principal Amount Outstanding of the Most Senior Class of outstanding Notes; or
- (b) if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of outstanding Notes,

approve an Enforcement Resolution.

The approval of an Enforcement Resolution by the Meeting of Creditors shall trigger the end of the Amortisation Period (or the Revolving Period, as the case may be) and the commencement of the Accelerated Amortisation Period on the Payment Date falling on or immediately after the approval of an Enforcement Resolution.

For clarification purposes, the mere occurrence (or declaration) of an Event of Default (and the approval of an Enforcement Resolution by the Meeting of Creditors) do not constitute an Early Liquidation Event.

	<p>The Management Company shall promptly notify all Noteholders in writing (in accordance with section 4 of the Additional Information) and the other Transaction Parties of the occurrence of an Event of Default.</p> <p>Registration Document: 4.4.3.1 Mandatory Early Liquidation Events</p> <p>The Management Company shall carry out the early liquidation of the Fund (the “Early Liquidation of the Fund”) and, thus, the early redemption of the Notes (the “Early Redemption of the Notes”) on the Payment Date following the occurrence of any of the events described below (the “Mandatory Early Liquidation Events”):</p> <p>(c) if the Meeting of Creditors approves the Early Liquidation of the Fund with the relevant majority.</p>	
43	<p>STS Criteria</p> <p>43. (c) Repayment of the securitisation positions shall not be reversed with regard to their seniority; and</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See above.</p>	
44	<p>STS Criteria</p> <p>44. (d) No provisions shall require automatic liquidation of the underlying exposures at market value.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>4.9.6.1. Mandatory Early Liquidation Events</p> <p>The Management Company shall carry out the Early Liquidation of the Fund and, thus, the Early Redemption of the Notes in whole (but not in part) at any time upon the occurrence of any of the Mandatory Early Liquidation Events.</p> <p>The Management Company, acting on behalf of the Fund, shall carry out the Early Redemption of the Notes even if the holders of any of the Classes of Notes suffer a loss.</p> <p>Please refer to section 4.4.3.1 of the Registration Document for further information.</p> <p>4.4.3.1. Mandatory early liquidation of the Fund</p> <p>Mandatory Early Liquidation Events</p> <p>The Management Company shall carry out the early liquidation of the Fund (the “Early Liquidation of the Fund”) and, thus, the early redemption of the Notes (the “Early Redemption of the Notes”) on the Payment Date following the occurrence of any of the events described below (the “Mandatory Early Liquidation Events”):</p> <p>(a) if, as stated in article 33 of Law 5/2015, four (4) months have elapsed since the occurrence of an event giving rise to the mandatory replacement of the Management Company due to a declaration of insolvency thereof without a new management company having been found that is prepared to take over management of the Fund and that is appointed pursuant to section 3.7.2 of the Additional Information; or</p> <p>(b) in the event of revocation of the authorisation of the Management Company, without a new management company having been found that is prepared to take over management of the Fund and that is appointed pursuant to section 3.7.2 of the Additional Information; or</p> <p>(c) if the Meeting of Creditors approves the Early Liquidation of the Fund with the relevant majority.</p>	

In order for the Management Company to carry out the Early Liquidation of the Fund, and therefore, the Early Redemption of the Notes, the Management Company shall sell the Receivables and any remaining assets of the Fund in accordance with the provisions below:

Pre-emptive right of the Seller to acquire the Receivables

Upon the occurrence of any of the Mandatory Early Liquidation Events, the Seller will have the right, but not the obligation, to repurchase the outstanding Receivables at the time of Early Liquidation of the Fund that, for clarification purposes should match with a Payment Date, at a price equal to the aggregate of (the “Repurchase Early Liquidation Amount”):

Sale of the Receivables to third parties

[...]

The Seller will then have a period of fifteen (15) Business Days from the date on which it receives the notification from the Management Company to communicate its decision to repurchase or not the Receivables and to communicate the terms of its offer. The offer of the Seller must in any case match the highest bid made by third parties and the transfer of the Receivables must be completed (including payment of the purchase price) as soon as reasonably practicable from the date on which the Seller communicates such decision.

The liquidation of the fund can be triggered by an enforcement notice approved by a noteholder meeting and is triggered by an early liquidation approval by the meeting of creditors, and the Seller has a pre-emptive right to repurchase the assets. There is no automatic liquidation of the fund.

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.

<p>45 STS Criteria</p> <p>45. Transactions which feature non-sequential priority of payments shall include triggers relating to the performance of the underlying exposures resulting in the priority of payments reverting to sequential payments in order of seniority. Such performance-related triggers shall include at least the deterioration in the credit quality of the underlying exposures below a pre-determined threshold.</p>	<p>Verified? YES</p>
<p>PCS Comments</p> <p>See 4.6.3</p> <p>4.6.3. Summary of the priority of the payments of principal on the Notes in the priority of payments of the Fund</p> <p>PCS notes that the repayment of principal is always sequential.</p> <p><i>The first step in analysing this criterion is to determine whether the transaction features non-sequential priorities of payment.</i></p> <p><i>If the Transaction does, then does it contain appropriate triggers?</i></p> <p><i>The EBA Guidelines provide three examples of triggers that meet the requirement of “deterioration of the credit quality of the underlying exposures below a pre-determined threshold”. Where a trigger is one of the EBA examples, then the criterion is met. If not, then an analysis must be conducted to determine whether the trigger does meet the definition of the Regulation.</i></p>	

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

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

46	STS Criteria	Verified? YES
PCS Comments		
<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> <p>The “Revolving Period” is the period commencing on the Incorporation Date and ending on the earlier of: (a) the Payment Date falling in September 2026 (the “Specified Revolving Period End Date”); (b) the date of occurrence of an Early Amortisation Event (but excluding that date); or (c) the date of approval of an Enforcement Notice (but excluding that date).</p> <p>“Early Amortisation Event” means the occurrence of any of the following events:</p> <p>(a) Insolvency: the occurrence of an Insolvency Event in relation to</p> <ul style="list-style-type: none"> (i) the Seller, (ii) the Servicer, or (iii) the Back-Up Servicer (to the extent not acting as Servicer) if six months (6) months have elapsed since the occurrence of an Insolvency Event in respect of the Back-Up Servicer without a new back-up servicer having been found that is prepared to take over servicing of the Receivables pursuant to section 3.7.1 of the Additional Information; <p>(b) Failure to pay (Issuer): the failure by the Issuer to make a payment under the Transaction Documents within the period provided thereunder (which shall take into account any applicable grace period) provided that such failure to pay does not constitute an Event of Default;</p> <p>(c) Failure to pay (Seller): the failure by the Seller to make a payment when due in accordance with the Master Receivables Sale Agreement and such failure is not remedied within 3 Business Days after a written notice to or discovery of such failure by an officer of the Seller;</p> <p>(d) Breach of Obligations: the failure by the Seller to comply with its relevant obligations under the Transaction Documents which continues unremedied for a period of 5 Business Days after a written notice to or discovery of such failure by an officer of the Seller;</p> <p>(e) Breach of Representation: any representation or warranty made by the Seller in the Transaction Documents, or any information required to be delivered by the Seller pursuant to the Transaction Documents: (i) shall prove to have been incorrect in any material respect when made or when delivered, which (if capable of being remedied) continues to be incorrect for a period of 20 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Seller by the Management Company, in the name and on behalf of the Issuer, or to the Seller and the Issuer by the Most Senior Class of Notes (the delivery of such notice being approved by means of an Ordinary Resolution), and (ii) as a result of which there is a Material Adverse Effect on the interests of the Most Senior Class of Notes which (if capable of being remedied) continues unremedied during such 20 day period; provided, however, that an Early Amortisation Event shall not be deemed to have occurred if the Seller has complied with its obligations pursuant to section 2.2.9 of the Additional Information, in respect of the related Receivable, or all of such Receivables, if applicable, during such period;</p>		

	<p>(f) the occurrence of a Servicer Default and a replacement has not been appointed in accordance with the Transaction Documents;</p> <p>(g) the occurrence of a Portfolio Performance Trigger Event;</p> <p>(h) the occurrence of an Event of Default;</p> <p>(i) a failure to maintain the Cash Reserve Fund at the Cash Reserve Required Amount on any Payment Date;</p> <p>(j) the aggregate Principal Balance of all Eligible Receivables is less than €175,000,000; or</p> <p>(k) on any Payment Date, a debit balance remains outstanding on any of the Principal Deficiency Ledgers following the relevant payments and/or provisions required to be made by the Issuer on such date in accordance with the Interest Priority of Payments and such debit balance is not cured on the next successive Payment Date.</p> <p>A "Portfolio Performance Trigger Event" shall occur where, on any Determination Date during the Revolving Period, any of (i) the Cumulative Net Loss Trigger; and/or (ii) the Dynamic Delinquency Trigger tests are failed.</p> <p>"Dynamic Delinquency Trigger" shall mean as of any Calculation Date, and the test shall be failed, where the aggregate Principal Balance of Transferred Receivables that are recorded on the Servicer's systems (in accordance with the Seller's Guidelines and its usual and customary servicing procedures) as three (3) instalments to 7 (seven) instalments past due, expressed as a percentage of the aggregate Principal Balance of all of the Transferred Receivables, is equal to or more than 3.5 per cent.</p> <p>"Cumulative Net Loss Trigger" ("Trigger de Pérdidas Netas Acumuladas") shall be breached where, as of any Calculation Date, the Cumulative Net Loss calculated on the relevant Determination Date and expressed as a percentage is equal to or greater than 7.5 per cent.</p> <p>PCS notes that the Portfolio Performance Trigger Event, limb (g) of the "Early Amortisation Event" definition is a deterioration trigger and is defined in accordance with the Regulation.</p>	
47	<p>STS Criteria</p> <p>47. (b) the occurrence of an insolvency-related event with regard to the originator or the servicer;</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See item 46, definition of "Early Amortisation Event"</p> <p>PCS notes that the Insolvency Event as defined under limb (a) of the "Early Amortisation Event" definition is in accordance with the Regulation.</p>	
48	<p>STS Criteria</p> <p>48. (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event);</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>PCS notes that limb (k) of the "Early Amortisation Event" definition is in accordance with the Regulation.</p>	
49	<p>STS Criteria</p> <p>49. (d) a failure to generate sufficient new underlying exposures that meet the pre-determined credit quality (trigger for termination of the revolving period).</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>PCS notes that limb (j) of the "Early Amortisation Event" definition is in accordance with the Regulation.</p>	

Article 21.7. The transaction documentation shall clearly specify:

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

50	STS Criteria 50. The transaction documentation shall clearly specify: (a) the contractual obligations, duties and responsibilities of the servicer and the trustee, if any, and other ancillary service providers;	Verified? YES
	<p>PCS Comments</p> <p>“Transaction Documents” means the following documents: (i) Deed of Incorporation of the Fund; (ii) the Master Receivables Sale Agreement; (iii) the Paying Agency Agreement; (iv) the Bank Accounts Agreement; (v) the Interest Rate Swap Agreement; (vi) the Servicing Agreement; (vii) the Back-up Servicing Agreement; (viii) the Collection Accounts Pledge Agreements; and (ix) any other documents executed from time to time after the Incorporation Date in connection with the Fund and designated as such by the relevant parties.</p> <p>PCS notes that the contractual obligations of the Servicer and Trustee are described in the Transaction Documentation.</p>	
51	STS Criteria 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	Verified? YES
	<p>PCS Comments</p> <p>“Eligible Servicer” shall mean an entity which, at the time of its appointment as Servicer, (a) is servicing a portfolio of unsecured personal credits, (b) is legally qualified and has the capacity to service the UPL Agreements and (c) is qualified (or licensed) to use the software that the Servicer is then currently using to service the UPL Agreements or obtains the right to use, or has its own, software which is adequate to perform its duties under the Servicing Agreement.</p> <p>See also</p> <p>3.7.1.1. Term and replacement of the Servicer</p> <p>Servicer Default</p> <p>The services will be provided by the Servicer from the Incorporation Date until all obligations assumed by the Servicer in relation to such Credits are extinguished upon full repayment of the Credits, without prejudice to the possible early revocation of its mandate or its voluntary resignation, if legally possible.</p> <p>If any of the following events (a “Servicer Default”) shall occur and be continuing: [...]</p> <p>Then so long and so long as such Servicer Default shall not have been remedied or waived, the Management Company, with prior notice to the Rating Agencies, may terminate all of the rights and obligations of the Servicer as Servicer under this Agreement by giving notice in writing to the Servicer (a “Servicer Termination Notice”). [...]</p>	

After receipt by the Servicer of a Servicer Termination Notice, and on the date that a successor servicer (which may be the Back-Up Servicer) (the "Successor Servicer") shall have been appointed by the Management Company, in the name and on behalf of the Issuer as further described in sub-section "Appointment of Successor" below, all authority and power of the Servicer under the Servicing Agreement shall pass to and be vested in a Successor Servicer, in the terms and under the conditions set forth in the Servicing Agreement.

3.1.9. Pepper Spanish Servicing, S.L.U. (the "Back-Up Servicer")

Pepper Spanish Servicing, S.L.U. participates as:

- (a) Back-Up Servicer of the Receivables in accordance with section 3.7.1 of the Additional Information.

3.1.15. Additional Information

- (c) The Seller and the Back-Up Servicer do not form part of the same group for the purposes of article 42 of the Spanish Commercial Code; however, they share, on an indirect basis, a number of common shareholders.

3.7.1.19. Back-Up Servicer

The Management Company, in the name and on behalf of the Fund, will appoint the Back-Up Servicer pursuant to a back-up servicing agreement entered into on the Incorporation Date (the "Back-Up Servicing Agreement"). Pursuant to the Back-Up Servicing Agreement, the Back-Up Servicer will agree to, following receipt of notice from the Issuer that the Issuer has served a written notice on the Servicer in accordance with the provisions of the Servicing Agreement, terminating all of the rights and obligations of the Servicer as servicer under the Servicing Agreement assume and perform all obligations of the Servicer under the Servicing Agreement. For clarification purposes, once the Back-Up Servicer has replaced the Servicer under the Servicing Agreement and assumed all of its functions and obligations under the Servicing Agreement, all references to the Servicer shall be understood as references to the Back-Up Servicer in its new condition of Servicer.

PCS notes that there is a back-up Servicing Agreement in place to be executed with a Back-up Servicer which is already appointed. Also, the replacement of the Servicer is set out in the Servicing Agreement.

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52. (c) provisions that ensure the replacement of derivative counterparties, liquidity providers and the account bank in the case of their default, insolvency, and other specified events, where applicable.

Verified?
YES

PCS Comments

See 3.4.5.1. Fund Accounts

On the Incorporation Date, the Management Company, in the name and on behalf of the Fund will enter into a reinvestment agreement (the "Bank Accounts Agreement") with Banco Santander (the "Accounts Bank"), under which both parties have (i) regulated the terms and conditions of the Transaction Account; and (iii) to set out the events which may trigger the opening of the Swap Collateral Account.

Resignation and replacement of the Accounts Bank

- (a) Downgrade event as per Rating Agencies Criteria
- (d) Mandatory replacement

The Management Company shall substitute the Accounts Bank at any time provided that:

(i) the Accounts Bank has defaulted on its obligations under the Accounts Bank Agreement or the replacement is otherwise motivated by significant causes that may adversely affect the interests of the Noteholders; Swap Collateral Account

Within three (3) Business Days following the occurrence of a Swap Counterparty Downgrade Event (as this term is defined in section 3.4.8.1 of the Additional Information), the Management Company shall open with the Accounts Bank the Swap Collateral Account.

See 3.4.8.1 Interest Rate Swap Agreement

Early Termination

Upon the occurrence of any event of default or termination event specified in the Interest Rate Swap Agreement, the non-defaulting party (in case of an event of default) or the person(s) specified in the Interest Rate Swap Agreement as having such right (in case of a termination event) may, after a period of time set forth in the Interest Rate Swap Agreement, elect to terminate the Interest Rate Swap Agreement. If the Interest Rate Swap Agreement is terminated due to an event of default or a termination event, a termination payment may be due by one party to the other. [...]

Replacement of the Interest Rate Swap Agreement – Replacement upon early termination

In the event that the Interest Rate Swap Agreement is terminated prior to its scheduled termination date, and prior to the approval of an Enforcement Resolution or the redemption in full of all outstanding Notes, the Fund will endeavour but cannot guarantee to find a replacement Swap Counterparty.

See also 2.1.1 Interest Rate Risk

Furthermore, the Swap Transaction may be terminated by one party for various fault and non-fault based reasons. In the event that the Swap Transaction is terminated (for any reason), the Issuer will endeavour but cannot guarantee to find a replacement Swap Counterparty.

PCS notes that there are replacement provisions for the Accounts Bank and Swap Counterparty.

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

53	STS Criteria 53. The servicer shall have expertise in servicing exposures of a similar nature to those securitised	Verified? YES
	PCS Comments See 3.5. Pepper Spain Pepper Spain is the financial business branch of Pepper Assets Services, S.L.U. (the Servicer). Its main activity is the granting of financing to consumers in the form of consumer credits for the acquisition of goods and services or for general consumption purposes decided by the borrowers. These credit facilities are granted directly to borrowers or through its network of merchants providers of the goods and services financed by Pepper Spain in a wide variety of sectors. Pepper Spain has more than ten years of experience in the origination and underwriting of unsecured consumer credits similar to those included in the Securitised Portfolio (and its mother company Pepper Assets Services, S.L.U., the Servicer, has more than 10 years in the consumer credit servicing market). <i>The EBA Guidelines provide that an entity that has serviced similar assets for at least five years will be deemed to meet the expertise criterion.</i>	
54	STS Criteria 54. And shall have well documented and adequate policies, procedures and risk management controls relating to the servicing of exposures.	Verified? YES
	PCS Comments See Servicing Agreement 2.3 Representations and Warranties of the Servicer <i>PCS has performed a due diligence of the Servicer Pepper.</i>	

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

55	STS Criteria 55. The transaction documentation shall set out in clear and consistent terms, remedies and actions relating to delinquency and default of debtors debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies.	Verified? YES
	PCS Comments See 3.7.1 Servicer The Servicer will agree in the Servicing Agreement to service the Receivables in accordance with its customary and usual servicing procedures for servicing receivables comparable to such Receivables and in accordance with the Seller's Guidelines. The Servicer shall at all times administer the Receivables in accordance with the Seller's Guidelines, which 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.

“Seller’s Guidelines” (“*Políticas del Cedente*”) means the Seller’s usual policies, procedures and practices relating to the operation of its Point of Sale Facility and PIL Facility business including, without limitation, the usual policies, procedures and practices adopted by it as the grantor of credit in relation to Receivables from originated UPL Agreements and/or (as the case may be) its usual policies, procedures and practices for dealing with matters relating to its obligations and liabilities with regard to the applicable Spanish laws, for determining the creditworthiness of its customers, the extension of credit to customers, and relating to the maintenance of accounts, as such policies, procedures and practices may be amended or varied from time to time.

The Seller’s guidelines are attached to the Servicing Agreement, as Schedule 1,

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

56	STS Criteria 56. The transaction documentation shall clearly specify the priorities of payment,	Verified? YES
	PCS Comments 4.6.3. Summary of the priority of the payments of principal on the Notes in the priority of payments of the Fund 4.9.4. Redemption of the Notes prior to the Notes Maturity Date	
57	STS Criteria 57. The transaction documentation shall clearly specify the events which trigger changes in such priorities of payment.	Verified? YES
	PCS Comments See 4.9.4 Redemption of the Notes prior to the Notes Maturity Date The “Revolving Period” is the period commencing on the Incorporation Date and ending on the earlier of: (a) the Payment Date falling in [October] 2026 (the “Specified Revolving Period End Date”); (b) the date of occurrence of an Early Amortisation Event (but excluding that date); or (c) the date of approval of an Enforcement Resolution by the Meeting of Creditors (but excluding that date). “Amortisation Period” shall mean the period commencing on the date of the occurrence of the earlier of: (i) the Specified Revolving Period End Date (but excluding that date); and (ii) the date of occurrence of an Early Amortisation Event (and including that date), and ending on the earlier of: (a) the date of approval of an Enforcement Resolution by the Meeting of Creditors; and (b) the date on which there are no amounts outstanding in respect of the Notes. “ Early Amortisation Event ” means the occurrence of any of the following events: [...] PCS notes that the Revolving Period End Date is clearly described and both the Early Amortisation Event and the Enforcement Resolution delivery conditions are described in the Prospectus.	

58	<p>STS Criteria</p> <p>58. The transaction documentation shall clearly specify the obligation to report such events.</p>	<p>Verified? YES</p>
<p>PCS Comments</p> <p>4. POST-ISSUANCE REPORTING</p> <p>4.2.2. Extraordinary notices</p> <p>Pursuant to article 36 of Law 5/2015, the Management Company must give immediate notice to the CNMV and to its creditors of any material event specifically relevant to the situation or development of the Fund. Material facts specifically relevant to the Fund will be those that could have a significant impact on the Notes issued or on the Receivables.</p> <p>In particular, material facts will include any relevant modification to the assets or liabilities of the Fund, the occurrence of any of the events referred to in the definition of the Early Amortisation Event, the occurrence of an Event of Default, any amendment to the Deed of Incorporation, and, if applicable, the resolution on the setting-up of the Fund or any eventual decision regarding the Early Liquidation of the Fund and Early Redemption of the Notes for any of the causes established in this Prospectus. In the case of the latter, the Management Company will also submit to the CNMV the certificate executed before a public notary evidencing the winding-up of the Fund and subsequent liquidation procedure described in section 4.4.5 of the Registration Document.</p> <p>Notice of any change to the Deed of Incorporation must be provided by the Management Company to the Rating Agencies and will be published by the Management Company in the regular public information on the Fund and must also be published on the website of the Management Company.</p> <p>This section also includes, inter alia, changes in the ratings of the Rated Notes and the steps to be taken if triggers are activated due to a downgrade in the rating of the counterparty to the financial agreements or due to any other cause.</p>		
59	<p>STS Criteria</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>Verified? YES</p>
<p>PCS Comments</p> <p>See 4.2.3 Procedure</p> <p>(b) <u>Extraordinary notices</u></p> <p>Extraordinary notices referred to in section 4.2.2 above shall be given by publishing the appropriate insider information (información privilegiada) or other relevant information (otra información relevante), as applicable, with CNMV.</p> <p>These notices will be deemed to be provided on the date of publication thereof, and are appropriate for any day of the calendar, whether or not a Business Day (for purposes of this Prospectus).</p> <p>Additionally, the Management Company may provide Noteholders with ordinary and extraordinary notices and other information of interest to them through its website (http://www.imtitulizacion.com/).</p> <p><i>The change in the Priority of Payments would then be reported without delay.</i></p>		

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

60	<p>STS Criteria</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>	Verified? YES
	<p>PCS Comments</p> <p>See Prospectus, RULES FOR THE MEETING OF CREDITORS</p> <p><i>(a) the method for calling meetings; as for method;</i></p> <p>TITLE II, MEETING PROVISIONS, Article 5, Convening of Meeting</p> <p><i>(b) the maximum timeframe for setting up a meeting</i></p> <p>The Management Company shall give no more than 60 and no less than 21 calendar days' notice by means of the procedure established in section 4.3 of the Additional Information (exclusive of the day on which the notice is published and of the day on which the meeting is to be held) specifying the date, time and place of the initial Meeting of Creditors (the "Initial Meeting") to the Noteholders and the Other Creditors as well as the information on the matters to be discussed at the meeting.</p> <p><i>(c) the required quorum</i></p> <p>Article 7, Quorums at Initial Meeting and Adjourned Meetings, Quorums at Initial Meetings: [...], Quorums at Adjourned Meetings: [...]</p> <p><i>(d) the minimum threshold of votes to validate such a decision, with clear differentiation between the minimum thresholds for each type of decision;</i></p> <p>Article 8, Required Majority</p> <p>(i) in respect of an Ordinary Resolution [...]</p> <p>(ii) in respect of an Early Liquidation Resolution [...]</p> <p>Article 12, Approval of an Enforcement Notice</p> <p><i>(e) where applicable, a location for the meetings which should be in the EU.</i></p> <p>Article 14 Domicile</p> <p>14.1 The Meeting of Creditors' domicile is located at the Management Company's registered office, i.e., Príncipe de Vergara, 131, 3rd floor, 28002 Madrid (Spain).</p> <p>14.2 However, the Meeting of Creditors may meet whenever appropriate at any other venue in the city of Madrid, with express specification in the notice of call to meeting.</p> <p><i>Although the wording of the Regulation as to what constitutes the "facilitation of timely resolution of conflicts" is very vague, the EBA Guidelines have helpfully set out the five minimum requirements that the documents should contain to meet this criterion. The documentation covers the following:</i></p> <p><i>(a) the method for calling meetings; as for method; (b) the maximum timeframe for setting up a meeting; (c) the required quorum; (d) the minimum threshold of votes to validate such a decision, with clear differentiation between the minimum thresholds for each type of decision; (e) where applicable, a location for the meetings which should be in the EU.</i></p>	

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

61	<u>STS Criteria</u> 61. and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.	<u>Verified?</u> YES
	<u>PCS Comments</u> See item 60, above. <i>See also Duties of the Management Company as described clearly in the Prospectus.</i>	

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

62	STS Criteria 62. The originator and the sponsor shall make available data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised,	Verified? YES
	PCS Comments See also 4.2.1 Ordinary Periodic Notices Article 22 of the EU Securitisation Regulation Furthermore, in accordance with Article 22 of the EU Securitisation Regulation, the Seller, as Originator (or any agent on its behalf) will make available (or has made available) to potential investors, before pricing, the following information: (a) Delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, for a period no shorter than five (5) years.	
63	STS Criteria 63. and the sources of those data and the basis for claiming similarity, to potential investors before pricing.	Verified? YES
	PCS Comments The historical delinquency data is from Pepper and divided into PIL and POS loans, to represent the portfolio composition and dates back to Q2 2015.	
64	STS Criteria 64. Those data shall cover a period no shorter than five years.	Verified? YES
	PCS Comments See item 64, above. The historical data covers a period of over 5 years.	

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

65	STS Criteria 65. A sample of the underlying exposures shall be subject to external verification prior to issuance of the securities resulting from the securitisation by an appropriate and independent party,	Verified? YES
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	<p><u>PCS Comments</u></p> <p>See Securities Note</p> <p>3.1.10. Deloitte, S.L. (“Deloitte”)</p> <p>Deloitte participates as:</p> <p>(a) auditor of the Fund.</p> <p>(b) independent company for the verification of a series of attributes of the assignable portfolio of Credits of the Fund and the fulfilment of the Eligibility Criteria, for the purposes of complying with the provisions of Article 22 of the EU Securitisation Regulation, on the fulfilment of the Eligibility Criteria set forth in section 2.2.2.3.3 of the Additional Information (the “Special Securitisation Report on the Preliminary Portfolio”); and</p> <p>(c) in addition, has verified the accuracy of the data disclosed in the stratification tables included in section 2.2.2.2 of the Additional Information.</p> <p>“Special Securitisation Report on the Preliminary Portfolio” (“Informe Especial de Titulización sobre la Cartera Preliminar”) means the report issued by Deloitte for the purposes of article 22 of the EU Securitisation Regulation on certain features and attributes of a sample of 461 selected credits, including verification of (i) the accuracy of the data disclosed in the stratification tables included in section 2.2.2.2 of the Additional Information, (ii) the fulfilment of the Eligibility Criteria as set forth in section 2.2.2.3.3 of the Additional Information.</p> <p>PCS has reviewed the draft report on “agreed upon procedures” (AUP) commonly known as a “pool audit” and the Eligibility Criteria check. PCS can confirm that this was done by an appropriate and independent third party.</p>	
66	<p><u>STS Criteria</u></p> <p>66. Including verification that the data disclosed in respect of the underlying exposures is accurate.</p>	<p><u>Verified?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>See item 66, above.</p>	
<p>Article 22.3. The originator or the sponsor shall, before the pricing of the securitisation, make available to potential investors a liability cash flow model which precisely represents the contractual relationship between the underlying exposures and the payments flowing between the originator, sponsor, investors, other third parties and the SSPE, and shall, after pricing, make that model available to investors on an ongoing basis and to potential investors upon request.</p>		
67	<p><u>STS Criteria</u></p> <p>67. The originator or the sponsor shall, before the pricing of the securitisation, make available to potential investors a liability cash flow model which precisely represents the contractual relationship between the underlying exposures and the payments flowing between the originator, sponsor, investors, other third parties and the SSPE.</p>	<p><u>Verified?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>3.1.4. JEFFERIES GMBH (“Jefferies”)</p> <p>Jefferies participates as:</p>	

(d) provide a cash flow model in compliance with article 22.3 of the EU Securitisation Regulation.

See also 4.2.1 Ordinary Periodic Notices

Article 22 of the EU Securitisation Regulation

Furthermore, in accordance with article 22 of the EU Securitisation Regulation, the Seller, as Originator (or any agent on its behalf) will make available (or has made available) to potential investors, before pricing, the following information: [...]

(b) A liability cash flow model, elaborated and published by Jefferies, which precisely represents the contractual relationship of the Receivables and the payments flowing between the Originator, the Fund and the Noteholders (and shall, after pricing, make that model available to Noteholders on an ongoing basis and to potential investors upon request).

PCS confirms that evidence of the model and the model itself was provided pre-pricing to PCS and the noteholders respectively.

PCS is not a modelling firm nor has any modelling expertise. The criterion requires an accurate liability model to be circulated to prospective investors pre-pricing must be made publicly available on-going. 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.

68

STS Criteria

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

Verified?

YES

PCS Comments

See item 67, above.

Although technically covering the period between pricing and close, this is primarily a future event criterion. In other words, it cannot be either met or failed at the outset of the transaction. But if, at a later stage, it is not met, then the Originator will need to inform ESMA and the STS status of the securitisation will be lost. Therefore, as a technical matter, this criterion is not applicable at the closing of a transaction. However, PCS will nevertheless look to see if there is a covenant on the part of the originator to comply in the future with this requirement whilst noting, at the same time, that the absence of any such covenant – although possibly unsettling for some investors - would not invalidate the STS status of the transaction at closing.

Article 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.

69

STS Criteria

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

Verified?

YES

PCS Comments**Not applicable.**

The consultation paper ("Draft Regulatory Technical Standards with regard to the content, methodologies and presentation of disclosures of Article 22(4) and 26(4) of Regulation (EU)2017/2402" was published on 2 May 2022. The draft EBA guidelines commenting on environmental data reporting was published in April 2023, suggesting that where only some environmental data is available, such proportion of environmental data must be published.

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

70

STS Criteria

70. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation.

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

See 4.7.3. Transparency

Pursuant to the obligations set out in article 7(2) of the EU Securitisation Regulation, the originator and the securitisation special purpose entity (SSPE) of a securitisation shall designate amongst themselves one entity to submit the information set out in points (a), (b), (d), (e), (f) and (g) of article 7(1) to a registered securitisation repository of the EU Securitisation Regulation. The disclosure requirements of Article 7 of the EU Securitisation Regulation apply in respect of the Notes. Pursuant to Article 22.5 of the EU Securitisation Regulation, the Originator shall be responsible for compliance with Article 7 and has been designated as the "Reporting Entity" for the purposes of article 7.2 of the EU Securitisation Regulation. [...]

Please refer to section 4.2.1 (d) of the Additional Information for further details.

See 4.2.1 (d)

(d) make available within 15 calendar days of the Disbursement Date, copies of the relevant Transaction Documents and this Prospectus in accordance with (i) Article 7(1)(b) of the EU Securitisation Regulation and (ii) Article 7(1)(b) of the UK Securitisation Regulation (as if it were applicable and solely as it applies on the Disbursement Date) other than the Management, Placement and Subscription Agreement (which will not be made available) and the Back-Up Servicer Collection Account Pledge Agreement, which will be made available in final form as soon as practicable following execution thereof.

The Reporting Entity, directly or delegating to any other agent on its behalf, will publish or make otherwise available the reports and information referred to in paragraphs (a) to (f) (inclusive) above as required under Article 7 and Article 22 of the EU Securitisation Regulation by means of the EU Securitisation Repository.

The Originator shall be responsible for compliance with article 7, in accordance with Article 22.5 of the EU Securitisation Regulation and has been designated as the Reporting Entity for the purposes of article 7.2 of the EU Securitisation Regulation

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

71	<p>STS Criteria</p> <p>71. The information required by point (a) the first subparagraph of Article 7(1) shall be made available to potential investors before pricing upon request.</p>	<p>Verified? YES</p>
	<p>See 4.2.1. Ordinary periodic notices</p> <p>Article 22 of the EU Securitisation Regulation</p> <p>Furthermore, in accordance with Article 22 of the EU Securitisation Regulation, the Seller, as Originator (or any agent on its behalf) will make available (or has made available) to potential investors, before pricing, the following information:</p> <p>(c) The loan-by-loan information required by point (a) of the first subparagraph of article 7(1) of the EU Securitisation Regulation.</p>	
72	<p>STS Criteria</p> <p>72. The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See 4.2.1. Ordinary periodic notices</p> <p><u>Article 22 of the EU Securitisation Regulation</u></p> <p>Furthermore, in accordance with article 22 of the EU Securitisation Regulation, the Seller, as Originator (or any agent on its behalf) will make available (or has made available) to potential investors, before pricing, the following information:</p> <p>(d) Draft versions of the Transaction Documents (excluding the Management, Placement and Subscription Agreement) and the STS Notification.</p> <p>The final STS Notification will be made available to Noteholders on or about the Incorporation Date or the Disbursement Date, to CNMV as competent authority and, upon request, to potential investors.</p>	

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

73	STS Criteria	Verified? YES
73. The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.		
PCS Comments		
See 4.2.1. Ordinary periodic notices		
Article 7, in accordance with article 22.5 of the EU Securitisation Regulation		
The Reporting Entity, directly or delegating to any other agent on its behalf, will:		
(d) make available within 15 calendar days of the Disbursement Date, copies of the relevant Transaction Documents and this Prospectus in accordance with (i) Article 7(1)(b) of the EU Securitisation Regulation and (ii) Article 7(1)(b) of the UK Securitisation Regulation (as if it were applicable and solely as it applies on the Disbursement Date) other than the Management, Placement and Subscription Agreement (which will not be made available) and the Back-Up Servicer Collection Account Pledge Agreement, which will be made available in final form as soon as practicable following execution thereof.		
<i>This criterion requires document disclosure within 15 days of closing and therefore is a future event criterion. In other words, it cannot be either met or failed at the outset of the transaction. But if it is not met within the specified 15-day period, then the Seller 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.</i>		

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

(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	Verified? YES
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,		
PCS Comments		
Article 7, in accordance with article 22.5 of the EU Securitisation Regulation		
The Reporting Entity, directly or delegating to any other agent on its behalf, will:		
(a) following the Incorporation Date:		

(i) publish a quarterly investor report in respect of each Interest Accrual Period, as required by and in accordance with article 7(1)(e) of the EU Securitisation Regulation, the EU Disclosure RTS and the EU Disclosure ITS and (ii) Article 7(1)(e) of the UK Securitisation Regulation, the UK Disclosure RTS and the UK Disclosure ITS (as if it were applicable to it and solely as it applies and is interpreted on the Disbursement Date), no later than one month after the relevant Payment Date; and

(ii) publish on a quarterly basis certain loan-by-loan information in relation to the Receivables in respect of each Interest Accrual Period, as required by and in accordance with article 7(1)(a) of the EU Securitisation Regulation, the EU Disclosure RTS and the EU Disclosure ITS and (ii) Article 7(1)(a) of the UK Securitisation Regulation, the UK Disclosure RTS and the UK Disclosure ITS (as if it were applicable and solely as it applies and is interpreted on the Disbursement Date) no later than one month after the relevant Payment Date and simultaneously with the report referred to in paragraph above;

See also in Prospectus, Additional Information

3.7.1.10. Reporting

The Servicer will:

(a) prepare the Monthly Servicer Report for the benefit of the Management Company in accordance with the provisions of the Servicing Agreement; and

(a) provide to the Originator, as Reporting Entity, and to the Management Company certain loan-by-loan and other information in relation to the Securitised Portfolio to the extent required by and in accordance with Article 7(1)(a) and Article 7(1)(e) of the EU Securitisation Regulation and Article 7(1)(a) and Article 7(1)(e) of the UK Securitisation Regulation as in force and in effect on the Incorporation Date (which shall be the Monthly Servicer Report). In particular, the Servicer shall provide in a timely manner to the Originator, as Reporting Entity, and to the Management Company, any reports, data and other information in the correct format to fulfil the reporting requirements of Article 7 of the EU Securitisation Regulation (including, inter alia, the information, if available, related to the environmental performance of the vehicles).

All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' analysis in Note 73 above.

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

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

75 **STS Criteria**

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

- (i) the final offering document or the prospectus together with the closing transaction documents, excluding legal opinions
- (ii) for traditional securitisation the asset sale agreement, assignment, novation or transfer agreement and any relevant declaration of trust;
- (iii) the derivatives and 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 4.2.1. Ordinary periodic notices

(d) Information referred to EU Securitisation Regulation

Article 7, in accordance with article 22.5 of the EU Securitisation Regulation

The Reporting Entity, directly or delegating to any other agent on its behalf, will:

(d) make available within 15 calendar days of the Disbursement Date, copies of the relevant Transaction Documents and this Prospectus in accordance with (i) Article 7(1)(b) of the EU Securitisation Regulation and (ii) Article 7(1)(b) of the UK Securitisation Regulation (as if it were applicable and solely as it applies on the Disbursement Date) other than the Management, Placement and Subscription Agreement (which will not be made available) and the Back-Up Servicer Collection Account Pledge Agreement, which will be made available in final form as soon as practicable following execution thereof. [...]

The Reporting Entity (or any agent on its behalf) will make the information referred to above available to the Noteholders, relevant competent authorities referred to in Article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes. In addition, the Reporting Entity undertakes to provide information to and to comply with written

confirmation requests of the EU Securitisation Repository, as required under Commission Delegated Regulation (EU) 2020/1229 including any relevant guidance and policy statements relating to the application thereof.

See also definition of Transaction Documents

“Transaction Documents” (“Documentos de la Operación”) means the following documents: (i) Deed of Incorporation of the Fund; (ii) the Master Receivables Sale Agreement; (iii) the Paying Agency Agreement; (iv) the Bank Accounts Agreement; (v) the Interest Rate Swap Agreement; (vi) the Servicing Agreement; (vii) the Back-up Servicing Agreement; (viii) the Collection Accounts Pledge Agreements; and (ix) any other documents executed from time to time after the Incorporation Date in connection with the Fund and designated as such by the relevant parties.

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

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

76 STS Criteria

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

**Verified?
YES**

PCS Comments

PCS notes that the Priority of Payments is clearly described in the Prospectus and will be referred to in the relevant document, which is the Deed of Incorporation.

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;

77 STS Criteria

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:

- (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;

**Verified?
YES**

	(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;	
	PCS Comments Not applicable for this transaction.	
	Article 7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors: (d) in the case of STS securitisations, the STS notification referred to in Article 27;	
78	STS Criteria 78. (d) in the case of STS securitisations, the STS notification referred to in Article 27;	Verified? YES
	PCS Comments See 4.2.1. Ordinary periodic notices <u>Article 22 of the EU Securitisation Regulation</u> [...] (d) Draft versions of the Transaction Documents (excluding the Management, Placement and Subscription Agreement) and the STS Notification. The final STS Notification will be made available to Noteholders on or about the Incorporation Date or the Disbursement Date, to CNMV as competent authority and, upon request, to potential investors. <i>All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' comment under point 73 above.</i>	

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

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

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

79 **STS Criteria**

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

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

Verified?
YES

PCS Comments

See 4.2.1. Ordinary periodic notices

Article 7, in accordance with article 22.5 of the EU Securitisation Regulation

The Reporting Entity, directly or delegating to any other agent on its behalf, will:

- (a) following the Incorporation Date:
 - (i) publish a quarterly investor report in respect of each Interest Accrual Period, as required by and in accordance with article 7(1)(e) of the EU Securitisation Regulation, the EU Disclosure RTS and the EU Disclosure ITS and (ii) Article 7(1)(e) of the UK Securitisation Regulation, the UK Disclosure RTS and the UK Disclosure ITS (as if it were applicable to it and solely as it applies and is interpreted on the Disbursement Date), no later than one month after the relevant Payment Date; and
 - (ii) publish on a quarterly basis certain loan-by-loan information in relation to the Receivables in respect of each Interest Accrual Period, as required by and in accordance with article 7(1)(a) of the EU Securitisation Regulation, the EU Disclosure RTS and the EU Disclosure ITS and (ii) Article 7(1)(a) of the UK Securitisation Regulation, the UK Disclosure RTS and the UK Disclosure ITS (as if it were applicable and solely as it applies and is interpreted on the Disbursement Date) no later than one month after the relevant Payment Date and simultaneously with the report referred to in paragraph above;

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

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

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

80	STS Criteria	Verified? YES
	<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>PCS Comments</p> <p>See 4.2.1 Ordinary Notices</p> <p><u>(d) Information referred to EU Securitisation Regulation</u></p> <p><u>[...]</u></p> <p>Article 7, in accordance with article 22.5 of the EU Securitisation Regulation</p> <p>The Reporting Entity, directly or delegating to any other agent on its behalf, will:</p> <p>(a) following the Incorporation Date:</p> <p>(b) publish, in accordance with Article 7(1)(f) of the EU Securitisation Regulation, without delay any inside information made public in accordance with article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse; and (ii) [...]</p> <p>(c) publish without delay any significant event including any significant events described in Article 7(1)(g) of the EU Securitisation Regulation; and (ii) [...]</p> <p><i>All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' comment under point 73 above.</i></p>	

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

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

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

81	STS Criteria	Verified? YES
	<p>81. (g) where point (f) does not apply, any significant event such as:</p> <p>(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;</p> <p>(ii) a change in the structural features that can materially impact the performance of the securitisation</p>	

(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 item 80, above.

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

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

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

Verified?
YES

PCS Comments

See item 79, above.

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

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

83 STS Criteria

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

Verified?
YES

PCS Comments

See item 80, above.

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

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

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

Or

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

84 **STS Criteria**

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

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

Or

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

Verified?
YES

PCS Comments

4.2.1. Ordinary periodic notices

(d) Information referred to EU Securitisation Regulation

Pursuant to the obligations set forth in article 7(2) of the EU Securitisation Regulation, the originator, the SSPE of a securitisation shall designate amongst themselves one entity to submit the information set out in points (a), (b), (d), (e), (f) and (g) of article 7(1) to a registered securitisation repository of the EU Securitisation Regulation. The disclosure requirements of Article 7 of the EU Securitisation Regulation apply in respect of the Notes. [...]

The Originator shall be responsible for compliance with article 7, in accordance with article 22.5 of the EU Securitisation Regulation and has been designated as the Reporting Entity for the purposes of article 7.2 of the EU Securitisation Regulation.

The Reporting Entity (or any agent on its behalf) will make the information referred to above available to the Noteholders, relevant competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes. In addition, the Reporting Entity undertakes to provide information to and to comply with written confirmation requests of the EU Securitisation Repository, as required under Commission Delegated Regulation (EU) 2020/1229 including any relevant guidance and policy statements relating to the application thereof.

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

85 **STS Criteria**

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

Verified?
YES

PCS Comments

See 84, above.

See also 4.2.1. Ordinary periodic notices

Article 7, in accordance with Article 22.5 of the EU Securitisation Regulation

The Reporting Entity, directly or delegating to any other agent on its behalf, will: [...]

See also:

The Reporting Entity, directly or delegating to any other agent on its behalf, will publish or make otherwise available the reports and information referred to in paragraphs (a) to (f) (inclusive) above as required under Article 7 and Article 22 of the EU Securitisation Regulation by means of the EU Securitisation Repository.

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