

## STS Report Terms and Conditions

2018-1

The Applicant acknowledges and agrees to the terms and conditions set out below.

### Definitions

"**Applicant**" means the person so named in the relevant Application.

"**Application**" means an application to PCS commissioning an STS Report, which seek to incorporate these terms and conditions.

"**Application Documentation**" means the Completed Checklist and any other transaction document provided by or on behalf of the Applicant for the purposes of enabling PCS to compile an STS Report.

"**Capital Requirements Regulation**" means Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12th December 2017.

"**STS Report Checklist**" refers to the STS Criteria Checklist, including as part thereof if relevant, the Grandfathering Checklist and the CRR Checklist.

"**Completed Checklist**" means the STS Report Checklist as completed by or on behalf of the Applicant but without any comments from PCS.

"**Confidential Information**" means any information provided by or on behalf of the Applicant to PCS for the purposes of compiling an STS Report other than:

- (a) Information which was lawfully in the possession of PCS prior to its receipt pursuant to the relevant Application, provided that the source of such information, insofar as it was known to the recipient, was not prohibited from disclosing the information to the recipient by a contractual, legal or fiduciary obligation to the Applicant.
- (b) Information which is lawfully obtained by PCS from a source other than the Applicant or any of its representatives, provided that such source, insofar as it is known to the recipient, is not prohibited from transmitting the information to the recipient by a contractual, legal or fiduciary obligation to the Applicant; and
- (c) Information which is or becomes generally available to the public other than as a direct or indirect result of a breach of these terms by PCS.

"**CRR Checklist**" means the PCS checklist of CRR Criteria.

"**CRR Criteria**" means the additional criteria set out in the Capital Requirements Regulation that a Transaction is required to meet to benefit from a more favourable capital treatment when held by a bank.

**“Disclaimer”** means the disclaimer appearing from time to time on the PCS Website setting out the limitations of the contents of any STS Report.

**"Fees"** means the fees payable to PCS following an application for an STS Report as set out on the PCS Website at midday (London time) on the date of the relevant Application.

**“Grandfathering Checklist”** means the PCS checklist of Grandfathering Criteria.

**“Grandfathering Criteria”** means the rules set out in Article 43(2) and 43(4) of the STS Regulation allowing a transaction issued prior to January 1<sup>st</sup>, 2019 to be eligible for STS Status.

**"PCS"** means Prime Collateralised Securities (PCS) UK Limited, a private limited company established in the UK, with registration number 8008729 and registered office at 40 Gracechurch Street, London, EC3V 0BT.

**"PCS Interpretations Manual"** means the document setting out the STS Criteria and CRR Criteria together with the interpretations made by PCS as to the potential meaning of these criteria as appearing on the PCS Website on the date of the relevant Application and which, together, form the basis of the assessment contained in an STS Report.

**"PCS Website"** means [www.pcsmarket.org](http://www.pcsmarket.org).

**“STS Checklist”** means the PCS checklist of STS Criteria.

**"STS Criteria"** means the criteria set out in the STS Regulation as broken down into individual queries by PCS.

**“STS Regulation”** means Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12<sup>th</sup> December 2017.

**“STS Report”** means a report provided by PCS to the Applicant in respect of a specified Transaction and setting out whether, in the opinion of PCS (and subject to all the *caveats* appearing in the Disclaimer Section) the Transaction would – had it been completed after January 1<sup>st</sup>, 2019 – be eligible for the STS Status together with any commentary by PCS regarding (a) the STS criteria as they relate to the Transaction, (b) if requested by the Applicant, the criteria as to grandfathering set out in Article 43(2) of the STS Regulation and (c) if requested by the Applicant, the additional criteria necessary to be met by the Transaction to benefit from lower EU capital requirements under the Capital Requirements Regulation.

**“STS Status”** means the status of a securitisation meeting the requirements of Article 18 of the STS Regulation for designation as “STS”.

**"Transaction"** means the securitisation described in the relevant Application for which the Applicant is seeking an STS Report.

**"Value Added Tax"** means (a) any tax imposed in compliance with the Council Directive 2006/112/EC of 28 November 2006 on the common system of Value Added Tax; and (b) any other tax of a similar fiscal nature, whether imposed in a Member State of the European Union in substitution for or in addition to such tax, or imposed elsewhere;

### **Application Terms and Conditions**

1. The Applicant confirms that, to the best of its knowledge, the information contained in the Application Documentation, at the time the relevant document was submitted will be accurate, up to date, not misleading and will not amount to a misrepresentation.
2. The Applicant agrees, if it has requested an STS Report to be made public and such report has been made public, to notify PCS promptly if it becomes aware that any information provided in the Application Documentation or any other information provided to PCS for the purposes of compiling that STS Report was, when made, false, inaccurate, incomplete or misleading.
3. The Applicant confirms that all the information contained in the Application Documents and any other information provided to the PCS by the Applicant can be provided to them without violating any laws or regulations applicable to the Applicant and that the provision of such information does not breach any duty of confidentiality binding on the Applicant, whether contractual or otherwise.
4. PCS undertakes that all Confidential Information will be held and treated by it in strict confidence and will be protected with security measures and a degree of care that would apply to its own confidential information. PCS further agrees that the Confidential Information will not, except as hereinafter provided, without the prior written consent of the Applicant, be disclosed by PCS, in any manner whatsoever, in whole or in part, and will not be used by PCS for any purpose whatsoever other than for the purpose of evaluating the Securities for the commissioned STS Report (the "Permitted Purpose"). Moreover, PCS agrees to disclose Confidential Information only to those persons who are required in the course of their duties to receive and consider the same for the Permitted Purpose.
5. Notwithstanding clause 4, in the event that PCS is requested or required (pursuant to any law or regulation, or any court of competent jurisdiction, or any competent judicial, governmental, supervisory or regulatory organisation or body with whose rules PCS is required to comply) to disclose any Confidential Information, PCS agrees that it shall (to the extent legally permissible) provide the applicant with prompt notice in writing of the existence, terms and circumstances of any such request or requirement so that the Applicant may seek an appropriate protective order or take other appropriate action and, if possible, before complying with any such requirement, PCS shall notify the Applicant in writing of the same and of the action which is proposed to be taken in response thereto. In such event, PCS shall take full account of any reasonable representations made by the Applicant, whether concerning resistance to the requirement or the form, manner or extent of disclosure, and if a protective order has not been obtained, PCS shall only

disclose Confidential Information to the extent that PCS has been advised by written opinion of its legal advisors that PCS is so legally compelled to disclose, and PCS will exercise its best efforts to obtain an order or reasonable assurance that confidential treatment will be accorded to the Confidential Information. PCS further agrees to notify the Applicant immediately, to the extent legally permissible, upon discovery, of the full circumstances of any unauthorised use or disclosure of Confidential Information, or any other breach of this agreement by PCS or the Screening Partner, and to cooperate with the Applicant in every reasonable way to prevent further unauthorised use.

6. Notwithstanding clause 4, the Applicant agrees that, if the Applicant so requests in writing, PCS is authorised to publish on its website and in any other lawful manner the Completed Checklist and any of the Application Documentation specifically permitted by the Applicant to be so published.
7. PCS agrees that save where it is authorised in writing to do so by the Applicant it shall not disclose that an STS Report has been commissioned or the result of such report to any person unless required to do so by law or regulation or at the request of a regulatory organisation.
8. The Applicant acknowledges that it has read, fully understands and accepts the Disclaimer as if it were part of these terms and conditions.
9. The Applicant acknowledges that neither PCS, nor any of their directors or employees shall have any liability for any losses suffered by the Applicant or any associated body arising from or in relation to the submission of this Application or an STS Report (other than in respect of death or personal injury) in excess of the fees paid to PCS for such STS Report.
10. Without limitation to clause 9, the Applicant acknowledges that neither PCS, nor any of their directors or employees shall have any liability for any losses suffered by the Applicant or any associated body or any other person (including any trader or investor) (other than in respect of death or personal injury) arising from any regulatory authority or investor disagreeing at any time with the conclusions of any STS Report or not allowing or withdrawing any Transaction's STS Status.
11. The Applicant hereby waives any rights it may have against the PCS other than rights in respect of acts of fraud, wilful breach of contract or gross negligence
12. The Applicant agrees that it shall not state or imply, nor allow its agents to state or imply that the Transaction was the subject of an STS Report indicating that they would achieve STS Status unless and until PCS confirms in writing that this is so.

13. The Applicant, its agents and representatives may not make any statements that results in PCS or any of their directors or employees being considered to be an "expert" for the purposes of the United States Securities Act of 1933 (as amended) and PCS will not accept "expert" liability under this or any other law or regulation.
14. The Applicant acknowledges that PCS has received and will receive any information from the Applicant and any of its agents or representatives in good faith and in the belief that the information received is accurate, complete and up to date. The Applicant acknowledges that PCS has not verified and will not verify the information and have no duty whatsoever to take any steps to ascertain the veracity, accuracy or completeness of any information provided or on behalf of the Applicant.
15. The Applicant acknowledges that PCS shall rely on the veracity, accuracy and completeness of the information provided in the Application Documentation for the purposes of compiling an STS Report.
16. The Applicant acknowledges that an STS Report is not a recommendation to buy, sell or hold securities; that it is not "investment advice" whether generally or as defined under Markets in Financial Instruments Directive (2004/39/EC); that it is not a "credit rating" whether generally or as defined under the Credit Rating Agency Regulation (1060/2009/EC) or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended by the Credit Agency Reform Act of 2006); that an STS Report expresses no views about the creditworthiness of any securities or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for any securities. The Applicant agrees that it shall not make any statement, orally or in writing, that indicates or implies otherwise.
17. The Applicant acknowledges that no PCS employee is a lawyer, nor holds itself out as providing legal advice and that nothing in an STS Report constitutes legal advice in any jurisdiction.
18. The Applicant agrees that its obligations to pay the Fees shall arise from the moment a Completed Checklist is sent to PCS.
19. The Fees payable shall be increased by any applicable Value Added Tax.
20. The Fees shall be paid within 30 days of the receipt of the relevant invoice from PCS in free and cleared funds in Euro or Sterling Account (as required) without set-off or counterclaim, to the UK accounts set out in the invoice.
21. These terms and conditions are governed by the laws of England and Wales and the Applicant submits to the exclusive jurisdiction of the English Courts.
22. The Applicant shall not have any recourse against, nor shall any personal liability attach, to any shareholder, officer, agent, employee or director of PCS in his capacity as such, by any proceedings or otherwise, in respect of any obligation, covenant, or agreement of the PCS contained in these terms and conditions.



23. Other than the PCS Employees, no other party shall have any right to enforce these terms and conditions under the Contracts (Rights of Third Parties) Act 1999. Notwithstanding anything in these terms and conditions, the consent of any person who is not a party is not required to rescind or vary this agreement at any time.