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The aim of the Prime Collateralised Securities ("PCS") initiative is to reinforce asset-backed securities as sustainable investment and funding tools for both investors and originators with the aim to improve market resilience in Europe, promote growth in the real economy and at all times maintain the standards of quality, transparency, simplicity and liquidity.
PART 2

ENTITIES AND GOVERNANCE

1. THE PCS ASSOCIATION

1.1 Introduction

Prime Collateralised Securities (PCS) Europe ASBL (the "PCS Association") is the owner of the PCS initiative. It forms the governance of the PCS label and the entire labelling process. As a matter of law, all the rights to and the ownership in the intellectual property embedded in the PCS initiative belongs to the PCS Association.

The PCS Association is a not-for-profit organisation under Belgian law (association sans but lucratif), with its registered office at 97 Rue Royale, 1000 Brussels and registration number 861973276.

As an unincorporated association, the PCS Association belongs to its members. It is not a subsidiary of any other corporation or entity. It is an independent body. The PCS Association will operate through its board (the "PCS Board") and the various committees of the Board.

In its operations, the PCS Association abides by its articles of association. These can be found on the PCS website: www.pcsmarket.org.

1.2 The PCS Board

The PCS Board is the executive governing body of the PCS Association. The PCS Board also monitors the actions of the PCS Secretariat through the terms of the contractual arrangements between the PCS Association and the PCS Secretariat. The arrangements require the PCS Secretariat to comply with the requirements of the labelling as set out by the PCS Board.

The PCS Board will consist of at least five and, normally, nine board members.

The members of the PCS Board will consist of persons drawn from the public sector and the private sector. Members of the Board serve in their personal capacity and do not represent any organisation with which they may be affiliated. They shall neither seek, nor take instructions from any other body.

The Board will meet at least four times a year and may, if needed, meet more frequently.
Public sector Board members will have a mandate of three years, which will be renewable. Private sector Board members will have a mandate of one year which shall be renewable.

The PCS Board will appoint committees (which may include selected current board members) that will be tasked to perform certain specific, delegated functions.

1.2.1 Responsibilities of the Board

The Board will have the following responsibilities:

(a) oversight of the overall functioning of the PCS Association;
(b) oversight of the compliance of the PCS Secretariat with its contractual obligations in administering the label;
(c) approval of PCS label eligibility criteria and subsequent changes;
(d) ensuring that the PCS Secretariat, as administrator of the label, has an appropriate business plan and budget planning process;
(e) approval of board committees and the appointment of their members;
(f) oversight and delegation of decisions to committees responsible for certain functions;
(g) overseeing communication policy regarding the PCS initiative.

1.2.2 Voting rules

Each voting member of the PCS Board shall have one vote. Decisions of the Board shall be taken by a simple majority of votes of the members present at the meetings. If there is a tied vote, the Chairperson shall have the casting vote.

1.3 Committees of the PCS Board

The PCS Board will establish the following committees:

1.3.1 The Market Committee

(a) Composition

(i) The Market Committee shall consist of 12 members appointed by the PCS Board from a list provided by the members of the PCS Association.

(ii) The voting members of the Market Committee shall be persons of recognised standing and professional
experience in the functioning of the European securitisation markets, representing various stakeholder communities such as issuers, investors, arrangers, accountants and lawyers. The Board will strive to provide a committee balancing the perspectives of these different communities.

(iii) Chair to be a member of the PCS Board and appointed by the PCS Association members.

The Market Committee will also be able to invite non-voting observers to its meetings as well as subject-matter specialists to provide it with additional insight.

(b) Role and Function

The Market Committee shall monitor market developments and matters impacting the PCS Initiative.

It shall:

(i) Discuss and review the eligibility criteria and exceptions.

(ii) Monitor and consider the impact of proposed and enacted legislation on the PCS eligibility criteria and for the PCS initiative as a whole.

(iii) Review and conclude on matters requiring technical expertise such as ensuring the consistency of procedures carried out by the Screening Partners and ruling on the interpretation of PCS criteria.

(v) Hears appeals from applicants whose request for a PCS Label has been declined by the PCS Secretariat.

(c) Independence

All the voting members of the Market Committee shall be independent and shall not seek or take instructions from public bodies, companies or from any other body.

1.3.2 The Arbitration Committee

The Arbitration Committee is not a standing committee of the PCS Association but an ad hoc committee named only when it is required.

(a) Composition

(i) 3 members to be appointed by the PCS Board. One member shall be a Board member, whilst the other two shall be practicing or retired lawyers.
(ii) Chair to be the PCS Board member.

(b) Role and Function

Upon the request of a labelling applicant, to review whether the refusal of the Market Committee to reverse the decision of the PCS Secretariat regarding the awarding of the PCS label conformed to the procedures set down by the Board and/or met the requisite standards of fairness and natural justice.

2. THE PCS SECRETARIAT

2.1 Introduction

Prime Collateralised Securities (PCS) UK Limited (the "PCS Secretariat") will implement the day to day operation of granting and administering the PCS label pursuant to a licence agreement between the PCS Secretariat and the PCS Association (the "Licence Agreement").

The PCS Secretariat is a private limited company established in the UK, with its registered office at 40 Gracechurch Street, London, EC3V 0BT, with registration number 8008729. Although it is a normal English limited company, the PCS Secretariat has undertaken to the PCS Association, that it will operate with a “not-for-profit” approach, seeking as best it can to minimise any surplus funds and using any such surplus funds it may generate to decrease the cost of awarding the label or to make those funds available to the PCS Association so that it may use them to advance the purposes of the PCS initiative. (It should be noted though that the PCS Secretariat is not a registered charity in the United Kingdom or anywhere else).

The PCS Secretariat is not a regulated entity and its activities do not fall to be regulated by the United Kingdom Financial Services Authority or any other regulatory body.

The PCS Secretariat is owned by BNY Mellon Corporate Trustee Services Limited on trust for a number of British charitable and non-profit organisations.

2.2 Composition

The PCS Secretariat staff will be comprised of a Head, a Managing Director/Head of Operations and an Office Manager. It may, also, from time to time, comprise one or more secondees from outside institutions.
2.3 Responsibilities

2.3.1 The PCS Secretariat shall have the following responsibilities:

(a) Granting, withholding or withdrawing the PCS label;

(b) Contracting with financial institutions seeking the PCS label;

(c) Monitoring the label;

(d) Appointing the Screening Partners – subject to final approval by the PCS Board;

(e) Monitoring the Screening Partners performance;

(e) Referring certain matters to the PCS Board, the Market Committee and technical advisors as and when necessary;

(f) Dealing with issuer/ investor requests;

(g) Assisting the PCS Association with (and conducting its own) external relations, including:

(i) maintaining PCS website

(ii) dealing with the media

(iii) interacting with regulators and other officials

(iv) interacting with the investor and banking community

(v) promoting the PCS label and the goals of the PCS initiative.

3. SCREENING PARTNERS

3.1 The PCS Secretariat shall contract with one or more companies with experience in the subject to assist it in checking the compliance of transactions with the eligibility criteria. These will be the PCS Screening Partners.
PART 3
ELIGIBILITY CRITERIA

For full definitions of the capitalised terms in this section, please consult the Glossary in the Schedule.

1. **Asset Eligibility**

   The following asset classes are eligible for the PCS label:

   (a) Auto Dealer Floorplan Loans;
   (b) Auto Loans and Auto Leases;
   (c) Consumer Loans;
   (d) Credit Card Receivables;
   (e) Non-Auto Leases;
   (f) Residential Mortgage Loans; and
   (g) SME Loans.

   The asset classes that are listed above are the only types of assets that can be in securitisations to which the PCS label is awarded.

2. **Structural Requirements**

   The following types of structures are not eligible for the PCS label:

   (a) Re-Securitisations; and
   (b) Synthetic Securitisations.

3. **Common Eligibility Criteria**

   To obtain a PCS Label the following criteria need be met by all securitisations:

   (a) **Quality Standards**

      (i) The Securities form part of the most senior tranche of the issuance (which for the avoidance of doubt includes Time Subordinated Securities).
(ii) The Securities are expected to be rated to the highest level achievable in the relevant jurisdiction as at the date of the Prospectus by at least two credit rating agencies which are established in the European Union, registered under the CRA Regulation and supervised by the European Securities and Markets Association.

(iii) The Underlying Assets were originated in, and are governed by the laws of, an Eligible Jurisdiction.

(iv) The Issuer is incorporated in an Eligible Jurisdiction.

(v) The Underlying Assets will, prior to the Issue Date, be subject to a third-party review according to agreed procedures of a random sample as follows:

(A) where the Securities are backed by a static asset pool: (I) a review of the Underlying Assets undertaken on or about the Issue Date; or (II) a general review undertaken in relation to the Originator's general portfolio (or a randomly selected sample) from which the Underlying Assets were selected within the last 12 months prior to the Issue Date;

(B) where the Securities are backed by a revolving asset pool or pools capable of being replenished and are not a repeat issuance: (I) a review of the Underlying Assets undertaken on or about the Issue Date; and (II) a review of the Underlying Assets undertaken at the earlier of: (i) 12 months following the Issue Date; and (ii) the date on which 40% or more of the asset pool is replenished; or

(C) where the Securities are backed by a revolving asset pool or pools capable of being replenished and are a repeat issuance and no review has taken place in the preceding 12 months, a review of the Underlying Assets undertaken on or about the Issue Date, provided that no audit of the Underlying Assets need be undertaken if: (I) no issuance has occurred in the preceding 12 months; and (II) no replenishment of the relevant asset pool has occurred in the preceding 12 months.

(vi)

(A) Article 122a of the Capital Requirements Directive does not apply; or

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1 For the avoidance of doubt, the reference to “static asset pool” includes any further advances made under an Underlying Asset Agreement and any repurchase or replacement of an Underlying Asset.
(B) the Originator undertakes to retain a material net economic interest sufficient to meet the requirements of Article 122a of the Capital Requirements Directive.

(vii) All material Originator and Issuer undertakings, representations and warranties (including, but not limited to, corporate and asset matters) have been disclosed in the Prospectus.

(viii) The Prospectus contains a description of the method of sale or transfer of the Underlying Assets.

(ix) The Prospectus contains a description of the underwriting criteria, processes and standards applied in originating the Underlying Assets.

(x) No broker intermediary or similar party (excluding multi-brand auto dealers) was involved in the credit or underwriting decisions relating to the Underlying Assets.

(xi) The Underlying Assets were not originated by an institution seeking to originate them to distribute pursuant to a business model whereby on-going exposure to such Underlying Assets was to be transferred to third parties as part of the origination process without there being any retention by the Originator in accordance with the Capital Requirements Directive or similar relevant regulation.

(xii) The Originator confirms that the PCS Secretariat will be informed by means of a blacklined prospectus showing any differences between the final Prospectus and the version of the Prospectus which was supplied to the PCS Secretariat for the purpose of checking that the Securities meet the PCS Eligibility Criteria.

(xiii) The Prospectus contains a description of processes and standards (i.e. administration, collection, recovery and back up servicing) applied in servicing the Underlying Assets.

(xiv) The "Risk Factors" section of the Prospectus contains statements as to the risks related to the sale and transfer of the Underlying Assets.

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2 For the avoidance of doubt, multi-brand auto dealers are eligible broker intermediaries.
(b) *Transparency Standards*

(i) The Originator undertakes to satisfy, from the Issue Date to the Final Maturity Date, the disclosure requirements set out in the PCS Eligibility Criteria prevailing as at the date of the Originator Certificate.

(ii) The Issuer or the Originator undertakes that, from the Issue Date to the Final Maturity Date, it will make available a cash flow model to investors, either directly or indirectly through one or more entities who provide such cash flow models to investors generally.

(iii) The Issuer or the Originator undertakes that:

(A) prior to the Issue Date, it will make available loan-level data to enable investors or third party contractors to build a cash flow model setting out the transaction cash flows; and

(B) from the Issue Date to the Final Maturity Date, it will make available updates to such information on a periodic basis.

(iv) The Prospectus discloses those entities which will have an Ongoing Involvement and in respect of each such entity, either:

(A) discloses the ratings which will trigger a requirement for:

   (I) the provision of collateral;

   (II) the provision of a third party guarantee; or

   (III) the provision of a replacement; or

(B) confirms that no such rating triggers exist.

(v) The Prospectus discloses the payment frequency of the Underlying Assets.

(vi) The Originator undertakes that it will, prior to the Issue Date, publicly disclose the amount of the Securities it intends will be:

(A) pre-placed privately with investors which are not in the Originator Group;

(B) retained by a member of the Originator Group; and

(C) publicly offered to investors which are not in the Originator Group.

(vii) The Prospectus:
(A) discloses:

(I) what information relating to the Securities and the Underlying Assets (such as investor reports, transaction documents, loan level data and so on) will be made available;

(II) when such information will be made available; and

(III) where such information will be made available and how investors will be able to access it; and

(B) confirms that, once made available, such information will remain available until the Final Maturity Date.

(viii) Either:

(A) the Prospectus discloses whether or not the Issuer intends to comply with any applicable Domestic Market Guidelines; or

(B) no Domestic Market Guidelines apply.

(ix) The Originator undertakes that it will deliver a compliance certificate to the PCS Secretariat on or about the first anniversary of the Issue Date and annually thereafter until the Final Maturity Date.

(c) Simplicity Standards

(i) The Prospectus includes a transaction overview.

(ii) The Issuer or the Originator undertakes that each investor report for the transaction will contain a glossary of the defined terms used in such report.3

(iii) The Issuer or the Originator undertakes that from the Issue Date to the Final Maturity Date:

(A) loan-level data in respect of the Underlying Assets; or

(B) in relation to Underlying Assets which are Granular Assets only, detailed summary statistics on the Underlying Assets,

will be made available to investors, potential investors and firms that generally provide services to investors and will be updated on a periodic basis.

3 This criterion shall not apply to securities issued prior to 31 December 2012.
(iv) The Issuer or the Originator undertakes that from the Issue Date to the Final Maturity Date performance information on the Underlying Assets will be made available to investors, potential investors and firms that generally provide services to investors and will be updated on a periodic basis.

(v) The Prospectus discloses and explains the credit enhancement mechanisms used in the securitisation.

(vi) The Prospectus contains a description of the cash-flow waterfalls and how these operate in all circumstances.

(d) Liquidity Standards

(i) The initial principal amount outstanding of each tranche of the Securities is at least:

(A) where the tranche is denominated in euros, €100,000,000;

(B) where the tranche is denominated in pounds sterling, £100,000,000;

(C) where the tranche is denominated in US dollars, US$100,000,000; and

(D) where the tranche is denominated in another Eligible Currency, the Currency Equivalent Amount of €100,000,000.

(ii) The Issuer or the Originator undertakes that:

(A) it will disclose in the first investor report the amount of the Securities:

(I) privately-placed with investors which are not in the Originator Group;

(II) retained by a member of the Originator Group; and

(III) publicly-placed with investors which are not in the Originator Group; and

(B) in relation to any amount initially retained by a member of the Originator Group, but subsequently placed with investors which are not in the Originator Group, it will (to the extent permissible) disclose such placement in the next investor report.

(iii) There are a minimum of two joint lead managers and the identity of the joint lead managers is disclosed in the Prospectus.
The Originator confirms that it believes that secondary market trading activity in the Securities will occur in compliance with all applicable regulatory requirements relating to trading transparency.

(v) The Securities are denominated in one or more Eligible Currencies.

(c) General Standards (excluding the Netherlands)

In order for Securities (other than where the Underlying Assets are Dutch – for which alternative rules can be found in Section 6(b) – Dutch Criteria) to be eligible for the PCS Label, the Underlying Assets must meet the following criteria:

(i) The Underlying Assets are denominated in an Eligible Currency.

(ii) As at the Specified Date, each of the Underlying Assets has a positive net present value or outstanding principal balance.

(iii) The Underlying Assets have been originated, or originated and acquired, in an Eligible Jurisdiction in the ordinary course of the Originator’s business and in accordance with the underwriting procedures at the time of origination.

(iv) Each Underlying Asset is an enforceable payment obligation of the corresponding Obligor free from any right of termination, rescission, contractual set off (excluding set-off in relation to offset or flexible mortgage loans, which are specifically dealt with in the transaction structure), counterclaim or defence.

(v) As at the Specified Date:

(A) no Underlying Asset has more than one scheduled payment outstanding due and unpaid.; or

(B) no Underlying Asset is more than 30 days in arrears.

(vi) Immediately prior to the sale of the Underlying Assets by the Originator, title to the Underlying Assets was owned solely by the Originator free from any security interest.

(vii) As at the Specified Date, the Underlying Assets are not in default.

(viii)

(A) The Underlying Assets are not subject to any withholding tax in the jurisdiction of the Underlying Asset; or

(B) some or all Underlying Assets are subject to withholding tax in the jurisdiction of the Underlying Asset, this tax has
been disclosed in the Prospectus and the transaction is structured and the cashflows calculated in such a way as to fully account for such tax.

(ix) Each Underlying Asset Agreement complies in all respects with the laws of the jurisdiction whose laws govern it, to the extent that failure to comply would have a material adverse effect on the enforceability or collectability of any Underlying Asset.

(x) Each Underlying Asset Agreement contains a legal, valid and binding obligation of the Obligor, enforceable in accordance with its terms, to pay the sums of money specified in it (other than an obligation to pay interest on overdue amounts).

(xi) No Underlying Asset Agreement contains a requirement for the Obligor to consent to the transfer of the rights of the Originator under such Underlying Asset Agreement as contemplated by the transaction; or where such consent is required, written evidence of such consent has been, or prior to the Issue Date will be, received.

(xii) No Underlying Asset Agreement contains confidentiality provisions which restrict the purchaser's exercise of its rights as owner of the Underlying Assets.

(xiii) Each Underlying Asset Agreement has been concluded in compliance with all applicable consumer protection legislation, to the extent that failure to comply would have a material adverse effect on the enforceability or collectability of any Underlying Asset.

(xiv) No Underlying Asset Agreement has been subject to any variation, amendment, modification, waiver or exclusion of time of any kind which in any material way adversely affects the terms of any Underlying Asset or its enforceability or collectability.

(xv) No Underlying Asset Agreement has been terminated or frustrated, nor has any event occurred which would make any Underlying Asset Agreement subject to force majeure or any right of rescission and there is no right or entitlement of any kind for the non-payment of the full amount of each Underlying Asset when due.

(xvi) No Underlying Asset Agreement has:

(A) to the best of the Originator's knowledge, been entered into fraudulently by the Obligor; or
been passed to the claims or legal department or referred to external lawyers other than in respect of the issue by the Originator of letters demanding payment which are issued in the ordinary course of business.

(xvii) No Underlying Asset Agreement has been entered into as a consequence of any conduct constituting fraud, misrepresentation, duress or undue influence by the Originator, its directors, officers, employees or agents or by any other person acting on behalf of the Originator.

(xviii) As at the Specified Date, no Obligor which is not an individual is subject to an insolvency event.

(f) **General Representations, Warranties and Undertakings (excluding the Netherlands)**

For securities to be eligible for the PCS Label, the transaction from which they arise must have documents which contain the following representations, warranties and undertakings (other than where the Underlying Assets are Dutch – for which alternative rules can be found in Section 6(c) – Dutch Representations, Warranties and Undertakings). Until the End of the Interim Period, such representations, warranties and undertakings may be explicit or implicitly contained in other, wider, representations, warranties and undertakings.

(i) The Prospectus (or, until the end of the Interim Period, the Originator Certificate) discloses representations, warranties and undertakings given by the Originator in respect of the Underlying Assets on the following matters:

(A) **Title and Ownership:** The Originator has full right, good and valid title to the assets and their associated ancillary rights, if applicable.

(B) **Valid Asset Transfer:** There is no restriction on the transfer of assets which has not been consented to by relevant parties and the associated ancillary rights that is in effect. Where appropriate, the Originator represents that the assignment and transfer of receivables and its associated ancillary rights, if applicable, to the issuer complies with and is in accordance with the laws applicable in the relevant jurisdiction.

(C) **Receivables Constitute Valid Claims on the Obligors:** Each sale and transfer of the receivables together with the corresponding related collateral constitutes a valid sale and transfer, is enforceable against creditors of the Originator, and is neither prohibited nor invalid.
(D) **No Other Pledge or Adverse Claims**: The receivables and their associated ancillary rights are not subject, either totally or partially, to any lien, assignment, charge, or pledge to any third parties.

(E) **Compliance with Eligibility Criteria Set Out in the Transaction Documents**: Collateral (i.e. receivables, ancillary rights, and financing agreements) meet the eligibility criteria as of the respective cut-off dates.

(F) **Compliance with Replenishment Criteria Set Out in the Transaction Documents**: Originator undertakes that Collateral (i.e. receivables, ancillary rights, and financing agreements) will meet the replenishment criteria, if applicable as of the respective replenishment date.

(G) **Financing Agreements’ Validity and Enforceability**: Each of the financing agreements governing the underlying receivables are in full force, and constitute the legal, valid, binding, and enforceable obligations of all parties thereto except when enforceability may be limited by consumer law.

(H) **Compliance with the Relevant Laws and Legal Requirements**: Each financing agreement in respect of the underlying collateral has been entered into in accordance with all applicable legal requirements or applicable law in the relevant jurisdictions to the extent that failure to comply would have a material adverse effect on the enforceability or collectability of the Underlying Asset.

(I) **Origination and Servicing**: The receivables meet the standard origination and underwriting criteria and servicing procedure of the Originator.

(J) **No Borrower Default**: The Originator is not aware of any obligors in material breach, default, or violation of any obligations under the any loan agreements. No receivable is subject to legal proceedings at the time of purchase by the issuer.

(K) **No Untrue Information**: There is no untrue information on the particulars of the receivables and collateral contained in the sale agreement.

(ii) The Originator confirms that representations, warranties and undertakings in respect of the Underlying Assets will be given by the Originator, on or prior to the Issue Date, to substantially the same effect as set out in paragraph (i) above.
4. **Asset Specific Eligibility Criteria**

(a) *European Auto Dealer Floorplan Loans*

Securities where the Underlying Assets are auto dealer floorplan loans must comply with the following additional criteria:

(i) Each dealer is an Eligible Dealer.

(ii) As at the Specified Date, the weighted average maturity of the Underlying Assets does not exceed 12 months.

(iii) As at the Specified Date, there are at least 300 Underlying Assets.

(iv) As at the Specified Date, the aggregate outstanding principal balance of the Underlying Assets due from:

   (A) the largest Obligor is equal to or less than 4 per cent. of the aggregate outstanding principal balance of all the Underlying Assets;

   (B) the ten largest Obligors is equal to or less than 15 per cent. of the aggregate outstanding principal balance of all the Underlying Assets; and

   (C) any Obligor, other than the largest Obligor, is equal to or less than 2 per cent. of the aggregate outstanding principal balance of all the Underlying Assets.

(v) The transaction includes an early amortisation event triggered by the amount on the issuer account, following replenishment, being above 30% of the outstanding note balance on three consecutive note payment dates.

(vi) As at the Specified Date, no Obligor is in default under another financial obligation owing to the Originator.

(vii) As at the Specified Date, each Obligor has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party.

(b) *European Auto Loans and Auto Leases*

Securities where the Underlying Assets are European Auto Loans and Auto Leases must comply with the following additional criteria:

(i) As at the Specified Date, the number of Underlying Asset Agreements is not less than 25,000.

(ii) As at the Specified Date, the aggregate outstanding principal balance of the Underlying Asset(s) due from:
(A) the largest corporate Obligor is equal to or less than the lesser of:

(I) 0.20 per cent. of the aggregate outstanding principal balance of all the Underlying Assets; and

(II) €2,000,000 or the Currency Equivalent Amount;

(B) the ten largest corporate Obligors is equal to or less than the lesser of:

(I) 0.75 per cent. of the aggregate outstanding principal balance of all the Underlying Assets; and

(II) €7,500,000 or the Currency Equivalent Amount;

(C) the largest individual Obligor is equal to or less than the lesser of:

(I) 0.20 per cent. of the aggregate outstanding principal balance of all the Underlying Assets; and

(II) €500,000 or the Currency Equivalent Amount; and

(D) the largest ten individual Obligors is equal to or less than 0.30 per cent. of the aggregate outstanding principal balance of all the Underlying Assets.

(iii) The Prospectus (or, until the End of the Interim Period, the Originator Certificate) discloses:

(A) the aggregate outstanding principal balance, as at the Specified Date, of the Underlying Assets in the form of loans which include balloon payments; and

(B) such aggregate outstanding principal balance expressed as a percentage of the aggregate outstanding principal balance, as at the Specified Date, of all the Underlying Assets.

(iv) Either:

(A) there is no Residual Value; or

(B) as at the Specified Date, the aggregate Residual Value does not exceed 60 per cent. of the aggregate outstanding principal balance of all the Underlying Assets.

(v) As at the Specified Date, each Obligor has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party.
(c) European Consumer Loans

Securities where the Underlying Assets are European Consumer Loans must comply with the following additional criteria:

(i) As at the Specified Date, the number of Obligors is not less than 15,000.

(ii) As at the Specified Date, no Underlying Asset has an outstanding principal balance greater than €30,000 or the Currency Equivalent Amount.

(iii)

(A) As at the Specified Date, no more than 12 per cent. of the Underlying Assets are overdue for 30 days or more; and

(B) for each addition, no more than 12 per cent. of the Underlying Assets being added will be, when added, overdue for a period of 30 days or more.

(iv) As at the Specified Date, either:

(A) each Obligor has made at least one payment of no less than the required minimum amount payable under the Underlying Asset Agreement to which it is a party; or

(B) at least 60 per cent. of the Underlying Asset Agreements are more than 12 months old.

(d) European Credit Card Receivables

Securities where the Underlying Assets are European Credit Card Receivables must comply with the following additional criteria.

(i) As at the Specified Date, the number of Obligors is not less than 100,000.

(ii)

(A) As at the Specified Date, no more than 20 per cent. of the Underlying Assets are overdue for 30 days or more; and

(B) for each addition, no more than 20 per cent. of the Underlying Assets being added will be, when added, overdue for a period of 30 days or more.

(iii) As at the Specified Date, either:

(A) each Obligor has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party; or
(B) at least 60 per cent. of the Underlying Assets are more than 12 months old.

(c) European Non-Auto Leases

Securities where the Underlying Assets are European Non-Auto Leases must comply with the following additional criteria:

(i) As at the Specified Date, the number of Obligor Groups is not less than 500.

(ii) As at the Specified Date, the aggregate outstanding principal balance of the Underlying Assets due from any single Obligor Group does not exceed 0.75 per cent. of the aggregate outstanding principal balance of all the Underlying Assets.

(iii) As at the Specified Date, the Underlying Assets are not of a lower credit quality (including tenor) than comparable assets retained by the Originator or previously securitised.

(iv) As at the Specified Date, none of the Underlying Assets are loans in arrears, non-performing loans or restructured loans.

(v) As at the Specified Date, an Obligor from each Obligor Group has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party.

(vi) The Prospectus discloses:

(A) the aggregate outstanding principal balance, as at the Specified Date, of the Underlying Assets in the form of loans which include balloon payments; and

(B) such aggregate outstanding principal balance expressed as a percentage of the aggregate outstanding principal balance, as at the Specified Date, of all the Underlying Assets.

(vii) As at the Specified Date, each Obligor has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party.

(f) European Residential Mortgage Loans (excluding Dutch, Spanish and UK Residential Mortgage Loans)

Securities where the Underlying Assets are European Residential Mortgage Loans (excluding Dutch, Spanish and UK Residential Mortgage Loans) must comply with the following additional criteria:

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4 In certain European jurisdictions, it is not possible to securitise operating leases. However, operating leases may become eligible in the future if the law changes in the relevant jurisdictions.
(i) Where Responsible Lending Rules and Guidance do not apply in the relevant jurisdiction at the time of origination, as at the Specified Date:

(A) the weighted average original LTV of the Underlying Assets is not greater than 75 per cent.; and

(B) no individual Underlying Asset has an original LTV greater than 100 per cent.

Where Responsible Lending Rules and Guidance apply in the relevant jurisdiction at the time of origination:

(A) these were followed in the origination of the Underlying Assets and, as at the Specified Date:

(I) the weighted average original LTV of the Underlying Assets is not greater than 85 per cent.; and

(II) no individual Underlying Asset has an original LTV greater than 100 per cent.; or

(B) these were not followed in the origination of each Underlying Asset and, as at the Specified Date:

(I) the weighted average original LTV of the Underlying Assets is not greater than 75 per cent.; and

(II) no individual Underlying Asset has an original LTV greater than 100 per cent.

(ii) As at the Specified Date, the number of Obligors is not less than 1,000.

(iii) As at the Specified Date, no Underlying Asset has an outstanding principal balance:

(A) of more than €1,000,000 or the Currency Equivalent Amount; or

(B) which exceeds an amount equal to 0.25 per cent. of the aggregate outstanding principal balance of all the Underlying Assets.

(iv) As at the Specified Date, each Underlying Asset (including any further advances thereunder):

(A) is subject to a first ranking mortgage; or

(B) is a Second Ranking Residential Mortgage Loan.
(v) The Underlying Assets do not include Self-Certified Mortgage Loans or Equity Release Mortgage Loans.

(vi) As at the Specified Date, each Obligor has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party.

(g) **European SME Loans**

Securities where the Underlying Assets are European SME Loans must comply with the following additional criteria:

(i) As at the Specified Date, the number of Obligor Groups is not less than 500.

(ii) As at the Specified Date, the aggregate outstanding principal balance of the Underlying Assets due from any single Obligor Group does not exceed an amount equal to 0.75 per cent. of the aggregate outstanding principal balance of all the Underlying Assets.

(iii) As at the Specified Date, the Underlying Assets are not of a lower credit quality (including tenor) than comparable assets retained by the Originator or previously securitised.

(iv) As at the Specified Date, none of the Underlying Assets are loans in arrears, non-performing loans or restructured loans.

(v) As at the Specified Date:

   (A) an Obligor from each Obligor Group has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party; or

   (B) where no Obligor from an Obligor Group has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party, there has been a lending relationship between the Originator and such Obligor Group for at least 12 months.

(vi) As at the Specified Date, the aggregate outstanding principal balance of the Underlying Assets which have no scheduled principal payments due in the next 5 years is not greater than an amount equal to 25 per cent. of the aggregate outstanding principal balance of all the Underlying Assets.

(vii) As at the Specified Date, no Obligor is in default under another financial obligation owing to the Originator.

(viii) As at the Specified Date, each Obligor has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party.
5. **Asset Jurisdiction Specific Criteria**

(a) *Dutch Residential Mortgage Loans*

Securities where the Underlying Assets are Dutch Residential Mortgage Loans must comply with the following additional criteria:

(i) 

(A) At the time of origination each Underlying Asset complied with the Dutch Code of Conduct on Mortgage Loans (*Gedragscode Hypothecaire Financieringen*); and

(B) as at the Specified Date, the weighted average original LTV of all the Underlying Assets is not greater than 110 per cent.

(ii) As at the Specified Date, the number of Obligors is not less than 1,000.

(iii) As at the Specified Date, no Underlying Asset has an outstanding principal balance of more than €1,000,000.

(iv) Each Underlying Asset (including any further advances thereunder) is subject to:

(A) a first ranking mortgage; or

(B) a first and sequentially lower ranking mortgage.

(v) The Prospectus confirms whether or not the table of contents and the defined terms used in the Prospectus meet the guidelines for these matters set out by Dutch Securitisation Association at the time.

(vi) The Prospectus confirms whether or not each investor report will meet the guidelines for investor reporting as set out by Dutch Securitisation Association at the time.

(vii) The Underlying Assets do not include Self-Certified Mortgage Loans or Equity Release Mortgage Loans.

(b) *Dutch Residential Mortgage Loan Representations, Warranties and Undertakings*

In addition to the representations, warranties and undertakings required for all securities to be eligible for the PCS Label, for Securities where the Underlying Assets are Dutch Residential Mortgage Loans to be eligible for the PCS Label, the transaction from which they arise must have documents which contain the following representations, warranties and undertakings. Until the End of the Interim Period and only until then, such representations, warranties and undertakings may
be explicit or implicitly contained in other, wider, representations, warranties and undertakings.

(i) The Prospectus (or, until the End of the Interim Period, the Originator Certificate) discloses representations, warranties and undertakings given by the Originator in respect of the Underlying Assets on the following matters:

(A) **Origination**: Originated by the named Originator.

(B) **Underwriting**: Loans granted in accordance with underwriting criteria of the Originator at the time of origination.

(C) **Regulatory Compliance**: Loans offered in accordance with laws and legal requirements.

(D) **Compliance with Mortgage Code of Conduct**: Loans granted in accordance with the applicable mortgage credit code of conduct at the time of origination.

(E) **Property Location**: Each Property is located in the Netherlands.

(F) **Currency Denomination**: Each loan is denominated in Euro.

(G) **Valid, Legal, and Enforceable**: Mortgage loan is valid, legal, and enforceable.

(H) **No Prior Liens**: Each loan is secured by a first ranking right of mortgage or first and sequentially lower ranking right of mortgage and, if applicable, right of pledge.

(I) **Valuation**: Benefits from a valuation of the property in accordance with the Dutch Code of Conduct for Mortgage Loans.

(J) **Originator Appointed as Beneficiary**: For loans combined with a mixed insurance policy, the Originator is appointed as the beneficiary under the relevant insurance policy or, if another person has been appointed as beneficiary, under an irrevocable payment instruction from such person to the relevant insurer.

(K) **Investments are Held in Bankruptcy Remote Vehicle**: For investment loans, the relevant securities and related savings account maintained in the name of the relevant borrower has been validly pledged to the relevant originator and the investments are held through a bankruptcy remote securities account arrangement.
(L) Nationale Hypotheek Garantie (NHG): If NHG, the guarantee was granted for full amount of the relevant loan part at the time of origination.

(M) Compliance with NHG Terms and Conditions: All NHG terms and conditions were complied with at the time of underwriting.

(N) NHG Claim: If NHG, Originator is not aware of any reason why a claim under the NHG guarantee scheme should not be honoured.

(O) Limitations/Third-Party Claims: No encumbrance, attachment or other right or claim in, over or on [assets] in favour of any other person.

(P) No Default: The related Borrower is not in material breach, default or violation of any obligation under such Loan Agreement.

(Q) Building Insurance Policy: The related Borrower was obliged to obtain a building insurance policy for the [full reinstatement value] of the property at the time the related loan was advanced.

(R) Compliance with Eligibility Criteria: Receivables, assets and borrowers meet the eligibility criteria.

(S) Entire Loan: Each Mortgage Loan constitutes the entire loan granted to the relevant Borrower (in respect of the relevant residential property) and not merely one or more loan parts.

(ii) The Originator confirms that representations, warranties and undertakings in respect of the Underlying Assets will be given by the Originator, on or prior to the Issue Date, to substantially the same effect as set out in paragraph (i) above.

(c) Spanish Residential Mortgage Loans

Securities where the Underlying Assets are Spanish Residential Mortgage Loans must comply with the following additional criteria:

(i) Where Responsible Lending Rules and Guidance do not apply in Spain at the time of origination, as at the Specified Date:

(A) the weighted average original LTV of the Underlying Assets is not greater than 75 per cent.; and

(B) no individual Underlying Asset has an original LTV greater than 100 per cent.
Where Responsible Lending Rules and Guidance apply in Spain at the time of origination:

(A) these were followed in the origination of the Underlying Assets and, as at the Specified Date:

(I) the weighted average original LTV of the Underlying Assets is not greater than 85 per cent.; and

(II) no individual Underlying Asset has an original LTV greater than 100 per cent.; or

(B) these were not followed in the origination of each Underlying Asset and, as at the Specified Date:

(I) the weighted average original LTV of the Underlying Assets is not greater than 75 per cent.; and

(II) no individual Underlying Asset has an original LTV greater than 100 per cent.

(ii) As at the Specified Date, the number of Obligors is not less than 1,000.

(iii) As at the Specified Date, no Underlying Asset has an outstanding principal balance:

(A) of more than €1,000,000; or

(B) which exceeds an amount equal to 0.25 per cent. of the aggregate outstanding principal balance of all the Underlying Assets.

(iv) Each Underlying Asset (including any further advances thereunder):

(A) is subject to a first ranking mortgage; or

(B) is a Second Ranking Residential Mortgage Loan.

(v) The Underlying Assets do not include Self-Certified Mortgage Loans or Equity Release Mortgage Loans.

(vi) As at the Specified Date, each Obligor has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party.

(d) Spanish Residential Mortgage Loan Representations, Warranties and Undertakings
In addition to the representations, warranties and undertakings required for all securities to be eligible for the PCS Label, for Securities where the Underlying Assets are Spanish Residential Mortgage Loans to be eligible for the PCS Label, the transaction from which they arise must have documents which contain the following representations, warranties and undertakings. Until the End of the Interim Period and only until then, such representations, warranties and undertakings may be explicit or implicitly contained in other, wider, representations, warranties and undertakings.

(i) The Prospectus (or, until the End of the Interim Period, the Originator Certificate) discloses representations, warranties and undertakings given by the Originator in respect of the Underlying Assets on the following matters:

(A) **Compliance with Current Laws and Regulations:** The mortgage loan certificates (mortgage participations and/or mortgage transfer certificates) will be issued in accordance with current laws and legal regulations.

(B) **Mortgage Loans Only Subject to This Issuance:** The mortgage loans are not subject to any issue of mortgage securities, mortgage shares, or mortgage transfer certificates other than this issue.

(C) **Duly Established and Registered:** The real estate mortgages have been duly established and registered in the relevant Property Registers.

(D) **Loan Existence:** Loans exist and are valid and enforceable in accordance with legislation.

(E) **Loans Clearly Identified:** Loans are clearly identified.

(F) **Property Ownership:** The mortgages have been established on properties the full and complete ownership of which is held by the respective mortgage obligor, and the Originator is not aware of the existence of litigation regarding the ownership of those properties capable of impairing the mortgages.

(G) **No Setoff Right:** The Originator has no knowledge that any of the obligors on the mortgage loans has any credit against itself that entitles the obligor to a right of setoff.

(H) **Preferred Right:** Nobody has a preferred right over the fund in and to the mortgage loans.

(I) **Enforcement of the Mortgage Guarantee:** The Originator has no knowledge of the existence of any
circumstance preventing enforcement of the mortgage guarantee.

(J) **Secured Loans**: The Mortgage Loans are secured with a real estate mortgage on the legal and beneficial ownership of each and every one of the mortgaged properties ranking senior, or, as the case may be, (provided the Originator has documents regarding cancellation of debts originated by previous mortgages, even though their registration cancellation procedure is pending) ranking junior.

(K) **No Litigation**: To the best knowledge of the Originator, there is no litigation whatsoever in relation to the Mortgage Loans that may detract from their validity or that may result in the application of Civil Code Article 1535, nor do any circumstances exist which may result in the purchase agreement of the home mortgaged as security for the Mortgage Loans being ineffective.

(L) **Term to Maturity and Interest Rate**: The mortgage participations and/or mortgage transfer certificates are issued with the same term to maturity and interest rate as the underlying mortgage loans.

(M) **Accuracy of Information**: The mortgage loan information contained in the Offering Circular is accurate, complete, and not misleading.

(N) **Fully Disbursed**: The principal of the loans has been fully disbursed.

(O) **Currency Denomination**: Loans are denominated and payable exclusively in euros.

(P) **Direct Debit Repayment**: The mortgage loan payment obligations are satisfied by directly debiting a bank account.

(Q) **Underwriting**: Loans have been granted in accordance with market criteria and credit granting policy of the entity.

(R) **Maturity**: The maximum term of the loans do not exceed the maturity of the security issued.

(S) **Property Valuation**: The mortgaged properties have been appraised by entities duly authorized for that purpose and the appraisers are duly registered in the corresponding Official Register of the Bank of Spain.
Viviendas de Protección Official (VPO) Properties: For VPO properties, the appraisal value considered for calculation purposes is the maximum legal value.

Loans Administered According to Customary Procedures: All loans have been and will be administered by the Originator according to the customary procedures it has established.

No Notice of Full Repayment: The Originator has received no notice of full repayment of the mortgage loans.

Individuals: Obligors are all individuals.

(ii) The Originator confirms that representations, warranties and undertakings in respect of the Underlying Assets will be given by the Originator, on or prior to the Issue Date, to substantially the same effect as set out in paragraph (i) above.

UK Residential Mortgage Loans (excluding UK Buy-to-Let Residential Mortgage Loans)

Securities where the Underlying Assets are UK Residential Mortgage Loans (excluding UK Buy-to-Let Residential Mortgage Loans) must comply with the following additional criteria:

(i) Where Responsible Lending Rules and Guidance do not apply in the United Kingdom at the time of origination, as at the Specified Date:

(A) the weighted average original LTV of the Underlying Assets is not greater than 75 per cent.; and

(B) no individual Underlying Asset has an original LTV greater than 100 per cent.

Where Responsible Lending Rules and Guidance apply in the United Kingdom at the time of origination:

(A) these were followed in the origination of the Underlying Assets and, as at the Specified Date:

(I) the weighted average original LTV of the Underlying Assets is not greater than 85 per cent.; and

(II) no individual Underlying Asset has an original LTV greater than 100 per cent.; or

(B) these were not followed in the origination of each Underlying Asset and, as at the Specified Date:
(I) the weighted average original LTV of the Underlying Assets is not greater than 75 per cent.; and

(II) no individual Underlying Asset has an original LTV greater than 100 per cent.

(ii) As at the Specified Date, the number of Obligors is not less than 1,000.

(iii) As at the Specified Date, no Underlying Asset has an outstanding principal balance:

(A) of more than £1,500,000; or

(B) which exceeds an amount equal to 0.25 per cent. of the aggregate outstanding principal balance of all the Underlying Assets.

(iv) Each Underlying Asset (including any further advances thereunder) is subject to a first ranking mortgage (other than further advances that rank behind existing mortgages granted to the Originator).

(v) The Underlying Assets do not include Self-Certified Mortgage Loans or Equity Release Mortgage Loans.

(vi) As at the Specified Date, each Obligor has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party.

(f) **UK Buy-to-Let Residential Mortgage Loans**

Securities where some or all the Underlying Assets are UK Buy-to-Let Residential Mortgage Loans must comply with the following criteria:

(i) As at the Specified Date:

(A) the weighted average original LTV of the Underlying Assets which are Buy-to-Let Residential Mortgage Loans is not greater than 85 per cent.; and

(B) no individual Underlying Asset which is a Buy-to-Let Residential Mortgage Loan has an original LTV greater than 100 per cent.
(ii) As at the Specified Date (but only where all the Underlying Assets are Buy-to-Let Residential Mortgage Loans), the number of Obligors is not less than 750.\(^5\)

(iii) As at the Specified Date, no Underlying Asset which is a Buy-to-Let Residential Mortgage Loan has an outstanding principal balance of more than £5,000,000.

(iv) Each Underlying Asset (including any further advances thereunder) is subject to a first ranking mortgage (other than further advances that rank behind existing mortgages granted to the Originator).

(v) The Underlying Assets do not include Self-Certified Mortgage Loans or Equity Release Mortgage Loans.

(vi) As at the Specified Date, each Obligor has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party.

(g) **UK Residential Mortgage Loan Representations, Warranties and Undertakings**

In addition to the representations, warranties and undertakings required for all securities to be eligible for the PCS Label, for Securities where the Underlying Assets are UK Residential Mortgage Loans to be eligible for the PCS Label, the transaction from which they arise must have documents which contain the following representations, warranties and undertakings. Until the End of the Interim Period and only until then, such representations, warranties and undertakings may be explicit or implicitly contained in other, wider, representations, warranties and undertakings.

(i) The Prospectus (or, until the End of the Interim Period, the Originator Certificate) discloses representations, warranties and undertakings given by the Originator in respect of the Underlying Assets on the following matters:

(A) **Accuracy of Mortgage Loan Information**: The particulars of each mortgage loan are complete, true and accurate in all material respects.

(B) **Origination and Currency Denomination**: Each loan was originated by the Originator and is denominated in Pounds Sterling.

(C) **Property Location**: All Mortgaged properties are located in England, Wales, Scotland, or Northern Ireland.

\(^5\) Where both (A) Residential Mortgage Loans which are not Buy-to-Let Residential Mortgage Loans and (B) Buy-to-Let Residential Mortgage Loans are included in the Underlying Assets, criteria 5(e)(ii) applies.
(D) **Standard Mortgage Documentation**: All mortgage loans have been made on the terms of the standard mortgage documentation which has not varied in any respect (subject to exceptions on a case by case basis).

(E) **Perfection of Title**: All steps necessary to perfect the Originator's title to each mortgage loan were taken at the appropriate time or are in the process of being taken.

(F) **Prior Liens**: Each mortgage loan constitutes a first ranking charge (or first ranking standard security in Scotland) by way of legal mortgage over the property.

(G) **Mortgage Priority to Other Charge Against Mortgaged Property**: Each mortgage, its terms and repayment of all advances, interest, costs, and expenses payable by the borrower to the Originator is in priority to any other charge against the mortgaged property.

(H) **Property Deeds and Loan Files**: All property deeds and loan files are held by (or to the order of) the Originator (including, where applicable, in electronic form), subject to any completion of any registration or recording pending at the Land Registry.

(I) **Property Valuation**: A valuation was conducted prior to the granting of the mortgage that would be acceptable in accordance with the Originator's policy to a prudent lender.

(J) **Proper Accounts and Books of the Originator**: The Originator keeps full and proper accounts, book, and records, showing all material transactions relating to the loan and they are up to date and in possession of the Originator.

(K) **Setoff**: No lien or contractual right of setoff (excluding set-off in relation to off-set or flexible mortgage loans, which are specifically dealt with in the transaction structure) or counterclaim has been created or arisen which would reduce the amount payable under the mortgage loan between the Originator and Borrower.

(L) **Lending Criteria**: Prior to any further advances, the lending criteria of the Originator and all preconditions were satisfied subject to exceptions on a case by case basis.

(M) **Mortgage Loan Legal and Binding**: Current Balance constitutes a valid debt due to the Originator and constitutes a legal, valid, binding obligation (except where enforceability may be limited by consumer law).
(ii) The Originator confirms that representations, warranties and undertakings in respect of the Underlying Assets will be given by the Originator, on or prior to the Issue Date, to substantially the same effect as set out in paragraph (i) above.

6. **Jurisdiction Specific Criteria**

(a) **German Criteria**

Securities where the Underlying Assets are German must comply with the following additional criteria:

(i) The Prospectus confirms whether or not the Issuer intends to comply with the guidelines set out by True Sale International.

(b) **Dutch Criteria**

Securities where the Underlying Assets are Dutch must comply with the following additional criteria:

(i) The Underlying Assets are denominated in an Eligible Currency.

(ii) As at the Specified Date, each of the Underlying Assets has a positive net present value or outstanding principal balance.

(iii) The Underlying Assets have been originated, or originated and acquired, in an Eligible Jurisdiction in the ordinary course of the Originator’s business and in accordance with the underwriting procedures at the time of origination.

(iv) As at the Specified Date:

(A) no Underlying Asset has more than one scheduled payment outstanding due and unpaid.; or

(B) no Underlying Asset is more than 30 days in arrears.

(v) Immediately prior to the sale of the Underlying Assets by the Originator, title to the Underlying Assets was owned solely by the Originator free from any security interest.

(vi) As at the Specified Date, the Underlying Assets are not in default.

(vii)

(A) In the Netherlands the Underlying Assets are not subject to any withholding tax; or

(B) some or all Underlying Assets are subject to withholding tax in the Netherlands, this tax has been disclosed in the Prospectus and the transaction is structured and the
cashflows calculated in such a way as to fully account for such tax.

(viii) No Underlying Asset Agreement contravenes any applicable laws, rules or regulations.

(ix) Each Underlying Asset Agreement contains a legal, valid and binding obligation of the Obligor, enforceable in accordance with its terms, to pay the sums of money specified in it (other than an obligation to pay interest on overdue amounts).

(x) No Underlying Asset Agreement contains a requirement for the Obligor to consent to the transfer of the rights of the Originator under such Underlying Asset Agreement as contemplated by the transaction; or

(B) where such consent is required, written evidence of such consent has been, or prior to the Issue Date will be, received.

(xi) No Underlying Asset Agreement contains confidentiality provisions which restrict the purchaser's exercise of its rights as owner of the Underlying Asset.

(xii) Each Underlying Asset Agreement has been concluded in compliance with all applicable consumer protection legislation, to the extent that failure to comply would have a material adverse effect on the enforceability or collectability of any Underlying Asset.

(xiii) No Underlying Asset Agreement has been subject to any variation, amendment, modification, waiver or exclusion of time of any kind which in any material way adversely affects its terms or its enforceability or collectability.

(xiv) No Underlying Asset Agreement has been terminated or frustrated, nor has any event occurred which would make any Underlying Asset Agreement subject to force majeure or any right of rescission and there is no right or entitlement of any kind for the non-payment of the full amount of each Underlying Asset when due.

(xv) No Underlying Asset Agreement has:

(A) to the best of the Originator’s knowledge, been entered into fraudulently by the Obligor; or

(B) been passed to the claims or legal department or referred to external lawyers other than in respect of the issue by
the Originator of letters demanding payment which are issued in the ordinary course of business.

(xvi) No Underlying Asset Agreement has been entered into as a consequence of any conduct constituting fraud, misrepresentation, duress or undue influence by the Originator, its directors, officers, employees or agents or by any other person acting on behalf of the Originator.

(xvii) As at the Specified Date, no Obligor which is not an individual is subject to an insolvency event.

(xviii) As at the Specified Date, each Obligor has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party.

(xix) As at the Specified Date, no Obligor is in default under another financial obligation owing to the Originator.

(c) Dutch Representations, Warranties and Undertakings

For securities whose Underlying Assets are Dutch to be eligible for the PCS Label, the transaction from which they arise must have documents which contain the following representations, warranties and undertakings. Until the End of the Interim Period and only until then, such representations, warranties and undertakings may be explicit or implicitly contained in other wider representations, warranties and undertakings.

(i) The Prospectus (or, until the End of the Interim Period, the Originator Certificate) discloses representations, warranties and undertakings given by the Originator in respect of the Underlying Assets on the following matters:

   (A) **Title and Ownership:** The Originator has full right, good and valid title to the assets and their associated ancillary rights, if applicable.

   (B) **Valid Asset Transfer:** There is no restriction on the transfer of assets or associated ancillary rights which is in effect and which has not been set aside by a consent or otherwise. Where appropriate, the Originator represents that the assignment and transfer of receivables and its associated ancillary rights, if applicable, to the issuer complies with and is in accordance with the laws applicable in the relevant jurisdiction.

   (C) **Receivables Constitute Valid Claims on the Obligors:** Each sale and transfer of the receivables together with the corresponding related collateral constitutes a valid sale
and transfer, is enforceable against creditors of the Originator, and is neither prohibited nor invalid.

(D) **Compliance with Eligibility Criteria Set Out in the Transaction Documents:** Collateral (i.e. receivables and ancillary rights) meets the eligibility criteria as of the respective cut-off date.

(E) **Compliance with Replenishment Criteria Set Out in the Transaction Documents:** Collateral (i.e. receivables, ancillary rights, and financing agreements) meets the replenishment criteria, if applicable as of the respective cut-off date.

(F) **Financing Agreements’ Validity and Enforceability:** Each of the financing agreements governing the underlying receivables are in full force, and constitute the legal, valid, binding, and enforceable obligations of all parties thereto.

(G) **Compliance with the Relevant Laws and Legal Requirements:** Each financing agreement in respect of the underlying collateral has been entered into in accordance with all applicable legal requirements or applicable law in the relevant jurisdictions.

(H) **No Borrower Default:** The Originator is not aware of any obligors in material breach, default, or violation of any obligations under the loan agreements. No receivable is subject to legal proceedings.

(I) **No Untrue Information:** There is no untrue information on the particulars of the receivables and collateral contained in the sale agreement.

(ii) The Originator confirms that representations, warranties and undertakings in respect of the Underlying Assets will be given by the Originator, on or prior to the Issue Date, to substantially the same effect as set out in paragraph (i) above.

7. **Responsible Lending Rules and Guidelines**

At present, the PCS Market Committee has not yet approved any Responsible Lending Rules and Guidelines
PART 4

PCS LABEL PROCEDURES

This section sets out a summary of the procedures for obtaining a PCS label. A full set of the PCS procedures can be found in the PCS Procedures Manual which can be downloaded from the PCS website: www.pcsmarket.org. If you intend to seek a label, you must download the full instructions found in the PCS Procedures Manual.

APPLICATION FOR PCS LABEL

Application of an intention to seek a label

1. The applicant may advise the PCS Secretariat in writing, of an intention to make an application sometime in the future.

2. In cases where:
   - the applicant is a new applicant;
   - the assets securitised are in a jurisdiction where transactions with a PCS label have not been previously issued;
   - the assets securitised are assets which have not previously been the subject of a PCS label;
   - the applicant believes that the transaction contains novel elements that may raise issues with the PCS Eligibility Criteria;

The PCS Secretariat strongly encourages applicants to send a notice of intention to make an application in good time to allow the PCS Secretariat to do some preliminary work.

Application

3. The applicant should download the application form from the PCS website and fill in the required information about itself and the securities for which it seeks a label. The applicant then sends the completed application form to PCS.

Please note: The application terms and conditions are binding and non-negotiable in nature.

Fees

4. The Label fees will are either £ 7,500 or Euro 9,650. Whether the fees are in Euro’s or Sterling will depend on a number of factors set out in detail in the PCS Procedures Manual. If additional work is required, the PCS Secretariat may charge additional fees.

Please note: The fees become payable upon the checklist being received by the Screening Partner and/or the PCS Secretariat, irrespective of whether a label is
ultimately awarded. As the fees may be changed at any time by the PCS Secretariat, potential applicants should visit the web site to confirm the current fee levels.

**Application Review**

5. The application will be considered by the PCS Secretariat which will notify the applicant whether it will review the transaction.

**Screening Partners**

6. When confirming that it will review the transaction, the PCS Secretariat will also notify the applicant of the Screening Partner selected for the transaction.

**PCS Label number**

16. Each transaction will be allocated a unique PCS identifier. The identifier will be allocated on receipt of the transaction application and will be the unique identifier for this transaction throughout the labeling process and the life of the transaction.

**Eligibility Criteria and checklists**

18. The PCS Secretariat will send the applicant the appropriate checklist for the asset class and jurisdiction of the transaction. The checklist will contain all the relevant eligibility criteria for the transaction and a column where the applicant or a law firm on its behalf will indicate where in the prospectus evidence of the criteria being met can be found (or indicating that, in accordance with the rules of PCS, the criteria will be evidenced by an originator certificate.)

19. The applicant or its counsel will send a completed checklist together with a draft or final offering circular to the chosen Screening Partner,

20. The Screening Partner will review the checklist.

20. If any issues arise, the Screening Partner will contact the applicant's counsel to determine the nature of the problem. If the problem cannot be resolved, the Screening Partner will inform the PCS Secretariat.

22. In case of a problem notified to the PCS Secretariat, the PCS Secretariat will contact the applicant to better understand the nature of the issue.

23. If there is a disagreement between the applicant and the Screening Partner on the interpretation of a criterion, the PCS Secretariat will make a determination. Such determinations, other than trivial ones, will be published on the PCS website.

24. Depending on the nature of the issue, a new draft prospectus may need to be given to the Screening Partners with a new checklist for their review.

25. Once the Screening Partner confirms that the checklist is completely and positively checked and ticked, the Screening Partner will send the completed checklist to the PCS Secretariat. Only the PCS Secretariat will receive the final checklist as completed by the Screening Partner.
26. Once the PCS Secretariat has received the final completed checklist, positively checked for all criteria, the PCS Secretariat will inform the applicant that it will receive the label on closing of the transaction.

27. If the PCS Secretariat has confirmed the award of a PCS Label, the certificate for the label will be sent out on closing of the transaction.

28. Once the label is awarded, the PCS Secretariat shall publish the fact on the PCS web-site together with the checklist and the prospectus.

**FAILURE TO AWARD THE LABEL**

29. If a problem regarding the conformity of the transaction with the eligibility criteria cannot be satisfactorily resolved, the Head of the PCS Secretariat must inform the applicant as soon as possible that it cannot be awarded the label for its securities.

30. If the applicant disputes any aspect of the outcome it is entitled to lodge an appeal with the Market Committee of the PCS Association. Such an appeal is unlikely to result in the award of a label at the close of the transaction since the appeal will be heard at the next meeting of the Market Committee. Such meetings are usually quarterly. Pending a hearing of the appeal, no label will be awarded.

31. If the Market Committee agrees with the appellant, the PCS Secretariat shall retrospectively award the label to the securities the subject of the appeal.

32. If the Market Committee does not agree with the applicant but agrees with the PCS Secretariat, the applicant may appeal to an Arbitration Committee selected by the Board of the PCS Association. However, only procedural or natural justice issues may be raised with an Arbitration Committee.

**ONGOING REQUIREMENTS**

33. Applicants will be required to ensure that the PCS Eligibility Criteria relating to ongoing delivery of information to investor are abided by. The applicant will need to deliver to the PCS Secretariat an annual compliance certificates to that effect.

34. If an Issuer fails to comply the PCS requirements, the PCS Secretariat shall have the right to withdrawal of PCS label.
SCHEDULE

GLOSSARY OF TERMS

**Auto Dealer Floorplan Loan** means an agreement between an Originator and an Eligible Dealer pursuant to which the Eligible Dealer agrees to pay the Originator the purchase price of vehicles sold or supplied to the Eligible Dealer by the vehicle manufacturer.

**Auto Lease** means an agreement between an Originator and an Obligor pursuant to which the Originator leases a vehicle to the Obligor and the Obligor agrees to pay periodic instalment payments and other sums specified therein.

**Auto Loan** means a loan advanced by an Originator to an Obligor to fund the acquisition of a vehicle.

**Buy-to-Let Residential Mortgage Loan** means a first ranking mortgage loan used by the Obligor to purchase residential property that is or will be let to tenants for investment purposes.

**Consumer Loan** means a consumer loan advanced by an Originator to an Obligor who is an individual.


**Credit Card Receivable** means the debt payable by an Obligor to an Originator pursuant to a credit card agreement between an Obligor and an Originator.

**Currency Equivalent Amount** means, in respect of a euro amount and another Eligible Currency, such euro amount converted into that other Eligible Currency at the rate published by the PCS Secretariat at the time of the conversion.

**Domestic Market Guidelines** means those domestic securitisation market guidelines which aim to promote best market practice and foster convergence of best market practice at a pan-European level, as selected and published by the PCS Secretariat as meeting this definition.

**Eligible Asset Class** means (i) Auto Dealer Floorplan Loans; (ii) Auto Loans and Auto Leases; (iii) Consumer Loans; (iv) Credit Card Receivables; (v) Non-Auto Leases; (vi) Residential Mortgage Loans; and (vii) SME Loans.

**Eligible Currency** means (i) a currency of the European Economic Area; (ii) the US dollar; (iii) the Canadian dollar; (iv) the Japanese yen; (v) the Australian dollar; and (vi) the Swiss franc.

**Eligible Dealer** means a dealer where the manufacturer or seller has direct or indirect aggregate ownership of not more than 20 per cent. of the dealer.
Eligible Jurisdiction means (i) any jurisdiction in the European Economic Area; and (ii) Switzerland.

End of the Interim Period means 15 April 2013.

Equity Release Mortgage Loan means a residential mortgage loan where borrowers have monetised their properties for either a lump sum of cash or regular periodic income (e.g. as a retirement plan).

Final Maturity Date means the date on which the Securities are redeemed in full.

First Ranking Residential Mortgage Loan means a first ranking, owner occupied residential mortgage loan.

Granular Assets means Auto Loans and Leases, Consumer Loan and Credit Card Receivables.

Issue Date means the date on which the Securities are issued.

Issuer means the issuer of the Securities.

LTV means the ratio, expressed as a percentage, of the principal amount outstanding of an Underlying Asset to the market value of the asset or assets backing that Underlying Asset.

Non-Auto Lease means an agreement between an Originator and an Obligor pursuant to which the Originator leases a certain personal property, including machinery and furniture to the Obligor and the Obligor agrees to pay periodic instalment payments and other sums specified therein.

Obligor means a borrower or a guarantor under an Underlying Asset Agreement.

Obligor Group means an Obligor together with (i) its holding company; (ii) its subsidiaries; and (iii) any other affiliated company as set out in the published accounts of any such company.

Ongoing Involvement means an entity which will provide: (i) a guarantee of the Securities; (ii) cash or cash equivalent to the Issuer in certain specified circumstances; (iii) a service to the Issuer.

Originator means (i) an entity which, either itself or through related entities, directly or indirectly, was involved in the original agreement which created the obligations or potential obligations of the debtor or potential debtor giving rise to the Underlying Assets being securitised; or (ii) an entity which purchases a third party's Underlying Assets onto its balance sheet and then securitises them.

Originator Certificate means a certificate provided by the Originator to the PCS Secretariat as part of the PCS label application process.

Originator Group means an Originator together with (i) its holding company; (ii) its subsidiaries; and (iii) any other affiliated company as set out in the published accounts of any such company.
PCS Eligibility Criteria means the eligibility criteria determined and published from time to time by the PCS Secretariat.

PCS Secretariat means Prime Collateralised Securities (PCS) UK Limited.

Prospectus means the prospectus produced in connection with the issue of the Securities and includes a base prospectus, a drawdown prospectus and any final terms.

Re-Securitisation means a securitisation of a pool of underlying exposures where at least one of the underlying exposures is a securitised exposure.

Residual Value means the lump sum payable at the maturity of a lease contract by the lessee, where the lessee exercises its discretion to obtain legal and beneficial ownership of the leased assets under the lease contract.

Responsible Lending Rules and Guidance means those laws, regulations, rules, codes and/or procedures applicable to residential mortgage lending in a jurisdiction which seek to provide an effective overarching scheme for lenders to advance mortgage loans in that jurisdiction on the basis of sound practices as to affordability, security and borrower rights as selected and published by the PCS Secretariat as meeting this definition.

Residential Mortgage Loan means a First Ranking Residential Mortgage Loan, a Social Housing Loan or a Buy-to-Let Residential Mortgage Loan.

Second Ranking Residential Mortgage Loan means a second ranking mortgage loan where the first ranking mortgage loan has been paid in full, there is no obligation to allow the debt to be re-drawn under the first ranking mortgage loan without the prior consent of the holder of the second ranking mortgage and the first ranking security has not been discharged.

Securities means, in relation to an application for the PCS label, the asset-backed securities in respect of which the PCS label is being sought.

Self-Certified Mortgage Loans means mortgage loans marketed and underwritten on the premise that the applicants and/or intermediaries representing them were made aware prior to the Originator’s underwriting assessment commencing that income could be self-certified.

SME Loan means a loan or lease advanced by an Originator to an Obligor which is a small or medium-sized enterprise for general business purposes or another small corporate loan, where the Originator has full recourse to the Obligor.

Social Housing Loans means a first ranking mortgage loan advanced by an Originator to an Obligor which is a housing association or a registered social landlord.

Specified Date means a date, specified in the Prospectus, which (in respect of the Underlying Assets backing the Securities on the Issue Date) falls not more than two calendar months prior to the Issue Date or (in respect of any Underlying Assets backing the Securities from a later date) falls not more that two calendar months prior to such later date.
**Synthetic Securitisation** means securitisation of a pool of underlying assets where risk transfer is achieved through the use of credit derivatives or other similar financial instruments and there is no sale or granting of a security interest in the underlying assets.

**Time Subordinated Securities** means classes (or sub-classes) of securities of the same seniority with different scheduled redemption dates (or where there is no scheduled redemption date for the securities, different final maturity dates).

**Underlying Asset Agreement** means the agreement in relation to an Underlying Asset between the Originator and an Obligor (as borrower or guarantor).

**Underlying Assets** means the assets backing the payment on the Securities.