

INITIAL VERIFICATION OF COUNTERPARTY'S DELIVERY PROCEDURES IN THE TRANSFER OF CREDIT CLAIMS (Monetary Policy Transactions Conditions – Annex XII.1)

In accordance with the provisions of Article 20 of the Monetary Policy Transactions Conditions (hereafter the "Monetary Policy TC")¹ on the "Creation of valid security over credit claims", DNB verifies, on the strength of the Statement included below, whether the Counterparty's procedures in providing information on the existence of loans warrant the completeness and correctness of the data regarding the existence of credit claims.

Failure to inform DNB in time, completely and correctly is subject to the sanctions policy laid down in the Monetary Policy TC.

STATEMENT ON THE CREDIT CLAIM DELIVERY PROCESS

THE UNDERSIGNED,

Of

(institution's name)

(having its registered office in _____ and hereafter referred to as the

"Counterparty"), duly representing the Counterparty for present purposes,

Hereby declares as follows.

No.	Procedures relating to eligibility requirements
I	The procedures are designed to ensure that every credit claim delivered meets eligibility criteria as set out in Part 4, Title III of the Guideline of the European Central Bank of 19 December 2014 on monetary policy instruments and procedures of the Eurosystem (ECB/2014/60). More specifically the following applies:
I.1	The procedure applied in delivering a credit claim provides assurance that no "close links" ² exist <u>between the Counterparty and the issuer/guarantor</u> .
I.2	The procedure applied in delivering a credit claim provides assurance that no loan can be pledged as collateral twice .
I.3	The procedure applied in delivering a credit claim provides assurance that the credit claim meets the minimum credit quality requirements set by the Eurosystem.
I.4	The procedure observed in delivering a credit claim provides assurance that the type of issuer/guarantor includes only issuers or guarantors that are non-financial corporations ³ , public sector entities or international or supranational institutions.
	Procedures relating to DNB requirements
II	The procedures have been designed to ensure that every credit claim delivered meets the criteria set out in the Monetary Policy TC. More specifically the following applies:

¹ The Monetary Policy Transactions Conditions are published on the website of DNB (www.dnb.nl) under 'Interest and inflation', 'Monetary Policy', 'Information for counterparties'.

² As defined in Article 27 of the Monetary Policy TC.

³ As defined in ESA2010.

II.1	The procedure observed in delivering a credit claim provides assurance that the current value outstanding exceeds the minimum size threshold set down in Article 21 of the Monetary Policy TC.
II.2	The procedure observed in delivering a credit claim provides assurance that the Counterparty explicitly notifies DNB in writing, referring to the exact source in the loan documentation, that set off rights are contractually excluded in accordance with Article 20(2) of these Monetary Policy TC or that set-off rights are not contractually excluded, requiring DNB to apply an additional haircut.
II.3	The procedure observed in delivering a credit claim provides assurance that the maturity date of the credit claim is at least two weeks later than the delivery date.
II.4	The internal procedure provides assurance that DNB is informed at least one business day in advance of a redemption by means of an "outstanding amount" update message (SWIFT MT 598).
II.5	The internal procedure provides assurance that DNB is, with respect to a credit claim informed at least one business day in advance of a restructuring of that credit claim.
II.6	The internal procedure provides assurance that DNB is informed within one business day after the Counterparty and the Issuer have agreed on an interest rate review. ⁴
II.7	The internal procedure provides assurance that DNB is informed no later than 10 business days if the issuer of a credit claim undergoes a merger and/or change of name.
	Procedures relating to internal control programmes
III	The abovementioned procedures are subject to a regular internal control programme examining whether the procedures are still adequate and also that DNB is informed of all relevant changes in the particulars of the credit claims.

DONE AND DULY SIGNED⁵ in _____ on _____ (date: dd-mm-yyyy)

Name: _____

Capacity: _____ CEO/CFO

Signature: _____

⁴ For present purposes, this means a change from a fixed to a variable rate or vice versa.

⁵ To be duly signed in accordance with the powers of attorney currently in effect at the institution and registered in the Trade Register of the Chamber of Commerce and Industry (Handelsregister van de Kamer van Koophandel en Fabrieken). As the case requires, a second official may have to co-sign.