



Regulations Governing the Use of the Covered Bond Label

1. Principle

- The owner of the Community trademark Covered Bond Label is the Covered Bond Label Foundation, whose headquarters is located in Avenue de Cortenbergh 71, B-1000 Brussels, Belgium. The primary purpose of the Covered Bond Label Foundation is to highlight to investors the security and quality of covered bonds, and to further enhance recognition of and trust in the covered bond asset class. The day-to-day representation of the Foundation is assured by the Daily Manager. Other than the day-to-day representation, the Foundation is represented vis-à-vis third parties, by the Chairman of the Foundation's Label Committee, acting together with another administrator or the Daily Manager.
- The establishment and modification of the regulations governing the use of the Covered Bond Label trademark resorts to the competence of the Foundation's Label Committee. Any changes proposed will be submitted to the Foundation's Label Advisory Council.
- The user of the trademark undertakes not to infringe the functioning of the foundation as provided in its statutes and Internal Regulation. In case of infringement, the Label Committee will decide whether or not the infringement implies the withdrawal of the Label.

2. Labelling Conditions and Procedures

Annexes

- Covered Bond Label Convention

2.1 Conditions

- The Covered Bond Label is open to all covered bond programmes that are compliant with the Label Convention (Please see [Annex I](#) for further information on the Label Convention).
- A covered bond programme is defined as a series of covered bonds backed by the same cover pool. The programme may be governed either by an individual or a general documentation.
- As defined in the Label Convention ([Annex I](#)), "*Covered bonds are debt securities, backed by mortgage¹, public sector or ship assets, and characterised by a twofold bondholders' protection mechanism rooted in a dedicated covered bond legal framework*".

2.2 Subscriptions

- The Label fee has three components²:
 - Initial Registration fee payable only once with the first registration of the cover pool;
 - Annual Label fee where issuers will confirm/re-confirm their compliance to the Label Convention, with first year fee payable with the initial registration fee; and
 - Volume issuance fee during the previous calendar year with a maximum cap per year.

¹ This includes French guaranteed housing loans eligible under the French CB legislation and Finnish housing companies' loans eligible under the Finnish CB legislation.

² VAT not included.

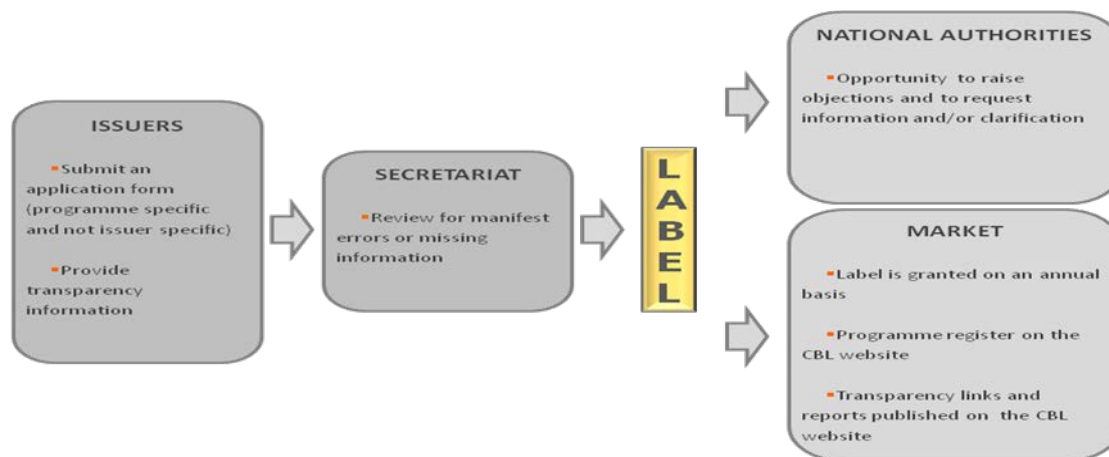
- The Label, i.e. the publication of the programme on the Covered Bond Label IT infrastructure, will take formal effect only after receipt of the fee, which will be due within 10 working days of the issuer's receipt of the invoice. In other words, if the Label fees are not paid within the above mentioned timeframe the registered Label will automatically lapse.
- Label fees, determined by the Label Committee, shall be payable on a calendar year basis in euros or the equivalent thereof, free of exchange and credit card and transfer commissions, at the start of the year, except when a new covered bond programme registers after the 1st of September of the calendar year where the issuer shall pay only half the annual Label fee (VAT not included).
- The Covered Bond Label Label entitles issuers to:
 - Use the Label as a quality signature for their programme / individual issuance; and
 - Be listed as a "Labelled Covered Bond Programme" on the public Label IT infrastructure.

2.3 Application Procedure

Labels will be granted based on a self-certification process to be undertaken by issuers to verify that their covered bond programme(s) complies with the Label Convention. Under this principle:

- The issuer managing the covered bond programme will complete an online application form in which he/she will:
 - Declare its programme's compliance with the Label Convention (see [Annex I](#));
 - Commit, at the time of the submission of the Label application, to disclose:
 - 1) On its own website, on a quarterly basis, accurate and up-to-date information on the covered bond programme's cover pool, based on its relevant National Transparency Template. These templates are developed at the national level, and, in accordance with the "Guidelines for National Transparency Templates" (see [Annex I](#)), which is intended to act as a convergence tool designed to ensure that the information provided by issuers is relevant, useful, deliverable and comparable;
 - 2) On the Label IT infrastructure, on a monthly basis, accurate and up-to-date information relating to new covered bond issuances from the labelled pool.
- The Label Secretariat will then review the application for manifest errors or missing information. If no manifest error is found and the application is complete, the Label shall be granted to the covered bond programme for the ongoing calendar year, upon the receipt of the payment of the subscription fees (see article 3.2).
- The Label Secretariat will post the new covered bond programme on a new webpage on the Covered Bond Label's IT infrastructure within 10 working days in order to inform the covered bond market stakeholders. Issuers will then update it with the relevant information on new issuances from the labelled cover pool.
- All outstanding covered bonds issued from the registered pool prior to the granting of the Label will benefit from the Label provided that (i) the initial registration fee is paid and (ii) the Label IT infrastructure is updated by the issuer with the outstanding issuances from the labelled pool. Only those covered bonds included in the IT infrastructure by the issuer will benefit from the Label.

- The Label Secretariat will inform the competent national authority within 20 working days of the publication on the Label website.



2.4 Renewal Procedure

The Label will be renewed annually and the issuer managing the labelled covered bond programme is meant to repeat the procedure described above at the beginning of the year, i.e. the self-certification of the compliance of its programme with the Label convention and the commitment to fulfil the transparency requirements.

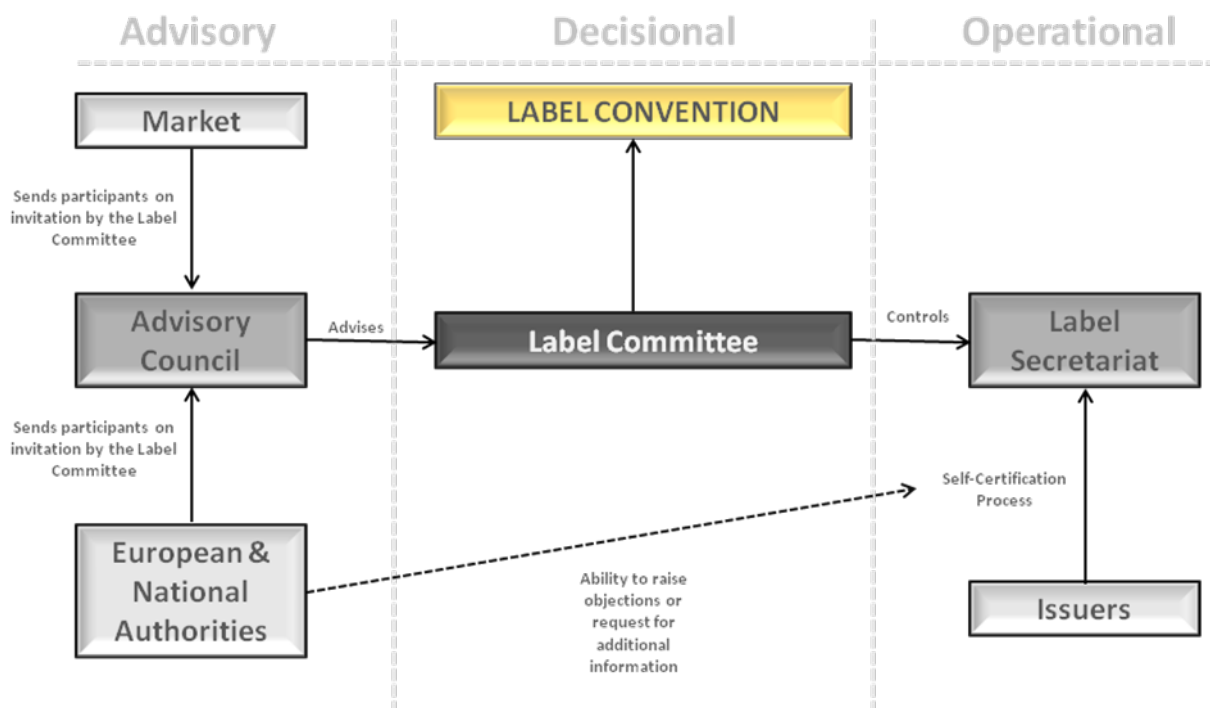
2.5 Withdrawal of the Label

- **Voluntary Withdrawal**
Issuers managing labelled covered bond programmes who decide to voluntarily discontinue their programme's registration should address a registered letter to this effect to the Label Secretariat, which, in turn, will notify the Label Committee. The retraction of the Label shall take effect 10 working days after the notification has been received by the Label Secretariat.
- **Non payment**
Non-payment of the annual/volume fee(s) due will result in the withdrawal of the Label as of the next renewal date. Non-payment will be deemed to have occurred if the fees due have not been received into the Covered Bond Label bank account within 10 working days from the date of the reminder for payment to be sent by the CB Secretariat at the end of the initial 10 working days deadline as set out under article 3.2).
- **Non compliance**
Issuers shall inform the Label Secretariat of any changes which could affect the compliance of their labelled programmes such as, for example, the non delivery of required information, the cancellation of the covered bond programmes or changes in the specifications of the programmes. The Label Secretariat will inform the Label Committee of any such notifications, which, in turn, will take the following steps:
 - The Label Committee will decide whether or not the notified changes imply the withdrawal of the Label.



- Should the Committee decide to withdraw the Label, the issuer will have the possibility to file an appeal within 20 working days from the date of the notification of the Committee's decision.
 - Should the Label Committee decide that the changes notified require the withdrawal of the Label, it will notify the relevant national authority, for information, of the changes signalled to it and of its subsequent decision to withdraw the Label.
 - The withdrawal of the Label shall become definitive when the 20 working days deadline (starting on the date of the notification of the Committee's decision) has elapsed and no appeal has been notified to the Label Secretariat. It will be effective on the day on which the notification of withdrawal sent by registered post reaches the issuer.
 - In cases of appeal, the Label Committee will appoint an ad hoc appeal panel. The ad hoc appeal panel will be composed of three Label Committee representatives of different issuer jurisdictions, selected on a rotating basis, together with the Chairman and Deputy Chairman. A representative of the jurisdiction where the appellant issuer is based is entitled to attend the appeal panel as an observer. The appeal panel will have 20 working days from the date of its receipt of the issuer's appeal to deliberate and present the issuer and the relevant national authority with its final decision.
- The effects of a withdrawal are as follows:
 - All references to the formerly registered programme(s) will be removed from the Covered Bond Label IT infrastructure.
 - Subscription fees shall not be refundable in the case of either the voluntary or involuntary withdrawal of the label from a covered bond programme.
 - A covered bond issuer that chooses to withdraw from the Label or from which the Label is withdrawn is not entitled to any refund of payments already received and will have no right to claim against the Label Entity.

Label organigramme





Annex I: Covered Bond Label Convention

Please refer to the Covered Bond Label website (www.coveredbondlabel.com) for the most up-to-date version of the Covered Bond Label Convention.