

PROSPECTUS

SC Germany Consumer 2014-1 UG (haftungsbeschränkt)

(incorporated with limited liability in the Federal Republic of Germany)

€ 1,205,000,000 Class A Fixed Rate Notes due in February 2028

Issue Price: 100%

€ 145,000,000 Class B Fixed Rate Notes due in February 2028

Issue Price: 100%

The Class A Notes and the Class B Notes (each such class, a "**Class**") and all Classes collectively, the "**Notes**" of SC Germany Consumer 2014-1 UG (haftungsbeschränkt) ("**Issuer**") are backed by a portfolio of receivables under general purpose consumer loans ("**Purchased Receivables**") originated by Santander Consumer Bank AG ("**Seller**"). The Purchased Receivables are unsecured. The obligations of the Issuer under the Notes will be secured by first-ranking security interests granted to SFM Trustees Limited ("**Transaction Security Trustee**") acting in a fiduciary capacity for the holders of the Notes pursuant to a transaction security agreement dated 18 March 2014 ("**Transaction Security Agreement**"). Although the Notes will share in the same security, in the event of security being enforced, the Class A Notes will rank in priority to the Class B Notes, see "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT". The Issuer will on or before the Note Issuance Date purchase and acquire from the Seller Purchased Receivables and any Related Collateral (as defined below) constituting the portfolio ("**Portfolio**") on the Note Issuance Date. The Issuer will, subject to certain requirements, on each Payment Date during a period of thirty-six (36) months following the Note Issuance Date, purchase and acquire from the Seller further Receivables and Related Collateral offered by the Seller from time to time. Certain characteristics of the Purchased Receivables and the Related Collateral are described under "Description of the Portfolio" herein. The Notes will be issued at the issue price indicated above on the **20 March 2014** ("**Note Issuance Date**").

This Prospectus constitutes a prospectus for the purpose of Article 5 (3) of Directive 2003/71/EC of the European Parliament and of the Council ("**Prospectus Directive**") in respect of asset-backed securities within the meaning of Article 2 (5) of the Commission Regulation (EC) No. 809/2004 of 29 April 2004 and the relevant implementing provisions in Luxembourg. Application has been made to the Commission de Surveillance du Secteur Financier for approval of this Prospectus for the purposes of the Prospectus Directive and relevant implementing measures in Luxembourg for the purpose of giving information with respect to the issue of the Notes. By approving this Prospectus, the Commission de Surveillance du Secteur Financier does not give any undertaking as to the economical and financial soundness of the operation or the quality or solvency of the Issuer. Application has been made to the Luxembourg Stock Exchange ("**Luxembourg Stock Exchange**") for the Notes to be admitted to trading on the regulated market of the Luxem-

bourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange is a regulated market for the purposes of the Markets in Financial Services Directive 2004/39/EC.

Raiffeisen Bank International AG ("**RBI AG**", the "**Manager**" and/or "**Arranger**") will purchase the Notes from the Issuer and will offer the Notes, from time to time, in negotiated transactions or otherwise, at varying prices to be determined at the time of the sale. The Issuer will draw an advance under the Funding Loan (as defined herein) to pay, *inter alia*, any selling concessions, transaction structuring fees and underwriting and placement commissions and expenses of the Manager.

For a discussion of certain significant factors affecting investments in the Notes, see "RISK FACTORS". An investment in the Notes is suitable only for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result from such investment.

For reference to the definitions of words in capitals and phrases appearing herein, see "SCHEDULE 1 DEFINITIONS".

Arranger and Manager:

Raiffeisen Bank International AG

The date of this Prospectus is 18 March 2014.

The Notes will be governed by the laws of the Federal Republic of Germany ("**Germany**").

Each of the Class A Notes and the Class B Notes will be initially represented by a temporary global note in bearer form (each, a "**Temporary Global Note**") without interest coupons attached. Each Temporary Global Note will be exchangeable, as described herein (see "OUTLINE OF THE TRANSACTION — The Notes — Form and Denomination") for a permanent global note in bearer form which is recorded in the records of Euroclear and Clearstream Luxembourg (as defined below) (each, a "**Permanent Global Note**", and together with the Temporary Global Notes, the "**Global Notes**" and each, a "**Global Note**") without interest coupons attached. Each Temporary Global Note will be exchangeable not earlier than 40 (forty) calendar days and not later than 180 (one hundred eighty) calendar days after the Note Issuance Date, upon certification of non-U.S. beneficial ownership, for interests in a Permanent Global Note. The Global Notes representing the Class A Notes will be deposited with a common safekeeper (the "**Class A Notes Common Safekeeper**") appointed by the operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream Luxembourg**" and, together with Euroclear, the "**Clearing Systems**") on or prior to the Note Issuance Date. The Class A Notes Common Safekeeper will hold the Global Notes representing the Class A Notes in custody for Euroclear and Clearstream Luxembourg. The Global Notes representing the Class B Notes will be deposited with a common safekeeper (the "**Class B Notes Common Safekeeper**" and together with the

Class A Notes Common Safekeeper, the "Common Safekeepers" and each, a "**Common Safekeeper**") appointed by the operator of the Clearing Systems on or prior to the Note Issuance Date. The Class B Notes Common Safekeeper will hold the Global Notes representing the Class B Notes in custody for Euroclear and Clearstream Luxembourg. The Notes represented by Global Notes may be transferred in book-entry form only. The Notes will be issued in denominations of EUR 100,000. The Global Notes will not be exchangeable for definitive securities. See "TERMS AND CONDITIONS OF THE NOTES — Form and Denomination".

On 16 April 2013, the European Parliament adopted the new Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 (the "**CRR**"), in order to replace (together with the fourth Capital Requirements Directive 2013/36/EU) the Capital Requirements Directive 2006/48/EC (the "**CRD**"). The CRR was published in the Official Journal on 27 June 2013 and took effect on 1 January 2014. As the CRR is a regulation it is directly applicable in the member states without the need for national implementation. Articles 404-410 (inclusive) (the "**Articles 404-410**") of the CRR supersede Article 122a of the CRD, in effect restating and, in certain respects, amending the requirements set out in Article 122a of the CRD. On 17 December 2013, the European Banking Authority (the "**EBA**") published final draft regulatory technical standards (the "**RTS**") and implementing technical standards (the "**ITS**" and together the "**Draft Technical Standards**" and once adopted and in force, the "**Technical Standards**"), relating to Articles 405-409 of the CRR. The EBA submitted the Draft Technical Standards to the European Commission on 17 December 2013, but it is not yet clear as when they will take effect and whether further changes will be made. It is expected that the Draft Technical Standards will be approved and will replace the existing guidelines on Article 122a of the CRD published by the Committee of European Banking Supervisors (the "**Guidelines**") on 31 December 2010 and the Q&A document subsequently published by the EBA ("**Q&A**") on 29 September 2011 in their entirety. There are significant differences between the Draft Technical Standards and the Guidelines and Q&A and once approved, the Technical Standards may result in changes to the requirements applying to affected investors and/or to the Guidelines and Q&A previously published by the regulatory authorities. With a view to support compliance with the requirements of Article 405 paragraph (1)(d) of the CRR, the Seller will do each of the following: First, the Seller will retain, in its capacity as originator within the meaning of Article 405 of the CRR, on an ongoing basis until the earlier of (i) the redemption of the Notes in full and (ii) the Legal Maturity Date, a first loss tranche constituted by the claim for repayment of a loan advance of EUR 13,500,000 made available by the Seller in its capacity as Subordinated Loan Provider to the Issuer under the Subordinated Loan Agreement as of the Note Issuance Date. The nominal amount of such loan advance equals 1 per cent. of the Aggregate Outstanding Principal Amount as of the Note Issuance Date. Pursuant to the Pre-Enforcement Priority of Payments and the Post-Enforcement Priority of Payments (as applicable), any payments due under the Subordinated Loan Agreement are subordinated to payments due under the Notes. Second, the Seller will retain, on an ongoing basis until the earlier of (i) the redemption of the Class A Notes in full and (ii) the Legal Maturity Date, Class B Notes in an aggregate principal amount of no less than 4 per cent. of the Aggregate Out-

standing Principal Note Amount as of the Note Issuance Date (the "**Retained Class B Notes**"). The Seller will purchase and acquire the Retained Class B Notes under a note subscription agreement (the "**Subscription Agreement**") to be entered into by it with the Manager on 18 March 2014. Pursuant to the Subscription Agreement, the Seller undertakes to retain the Retained Class B Notes and not to sell and/or transfer them (whether in full or in part) to any third party until the earlier of (i) the redemption of the Class A Notes in full and (ii) the Legal Maturity Date.

Article 409 of the CRR requires, *inter alia*, that prospective investors have readily available access to certain data in the context of the securitisation. With a view to support compliance with Article 409 of the CRR, the Seller in its capacity as Servicer will, on a monthly basis after the Note Issuance Date, provide relevant information to investors in the form of the Detailed Investor Reports including data with regard to the Purchased Receivables and an overview of the retention of the material net economic interest.

Each prospective Noteholder is required to independently assess and determine the sufficiency of the information described in the preceding two paragraphs for the purposes of complying with Articles 405 and 406 of the CRR and none of the Issuer, the Manager, or the parties to the Transaction Documents make any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes. In addition, each prospective Noteholder should ensure to comply with any RTS or ITS (both as defined above) in respect of Article 405(1) of the CRR in their relevant jurisdiction. Prospective Noteholders who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This simply means that the Class A Notes are intended upon issue to be deposited with one of the Clearing Systems as Common Safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

THE NOTES REPRESENT OBLIGATIONS OF THE ISSUER ONLY AND DO NOT REPRESENT AN INTEREST IN OR OBLIGATION OF THE MANAGER, THE ARRANGER (IF DIFFERENT), THE SELLER, THE SERVICER (IF DIFFERENT), THE CORPORATE ADMINISTRATOR, THE TRANSACTION SECURITY TRUSTEE, THE DATA TRUSTEE, THE PRINCIPAL PAYING AGENT, THE CALCULATION AGENT, THE CASH MANAGER, THE LISTING AGENT, THE LUXEMBOURG INTERMEDIARY, THE COMMON SAFEKEEPER OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OTHER PARTY (OTHER THAN THE ISSUER) TO THE TRANSACTION DOCUMENTS. NEITHER THE NOTES NOR THE UNDERLYING RECEIVABLES WILL BE INSURED OR GUARANTEED BY ANY GOVERNMENTAL AGENCY OR INSTRUMENTALITY OR BY THE MANAGER, THE ARRANGER (IF DIFFERENT), THE SELLER, THE SERVICER (IF DIFFERENT), THE CORPORATE ADMINISTRATOR, THE TRANSACTION SECURITY TRUSTEE, THE PRINCIPAL PAYING AGENT, THE CALCULATION AGENT, THE CASH MANAGER, THE LISTING AGENT, THE LUXEMBOURG INTERMEDIARY, THE COMMON SAFEKEEPER OR ANY OF THE RESPECTIVE AFFILIATES OR ANY OTHER PARTY (OTHER THAN THE ISSUER) TO THE TRANSACTION DOCUMENTS OR BY ANY OTHER PERSON OR ENTITY EXCEPT AS DESCRIBED HEREIN.

Class	Class Principal Amount	Interest Rate	Issue Price	Expected Ratings (DBRS/S&P)	Legal Maturity Date	ISIN
A	EUR 1,205,000,000	2,301 % per annum	100%	A(sf)/A(sf)	Payment Date falling in February 2028	XS1043161667
B	EUR 145,000,000	3,384 % per annum	100 %	Not rated	Payment Date falling in February 2028	XS1043162046

Interest on the Notes will accrue on the outstanding principal amount of each Note at a per annum rate of 2,301 % in the case of the Class A Notes and at a per annum rate of 3,384 % in the case of the Class B Notes. Interest will be payable in Euro by reference to successive interest accrual periods (each, an "**Interest Period**") monthly in arrear on the eleventh day of each calendar month, unless such date is not a Business Day, in which case the Payment Date shall be the next succeeding Business Day (each, a "**Payment Date**"). The first Payment Date will be the Payment Date falling on 11 April 2014. "**Business Day**" shall mean a day on which all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System (Target 2) which was launched on 17 November 2007 ("**Target**") are operational and on which commercial banks and foreign exchange markets are open or required to be open for business in London (United Kingdom), Frankfurt am Main (Germany), Vienna (Austria), Madrid (Spain) and Luxembourg. See "TERMS AND CONDITIONS OF THE NOTES — Payments of Interest".

If any withholding or deduction for or on account of taxes should at any time apply to the Notes, payments of interest on, and principal in respect of, the Notes will be made subject to such withholding or deduction. The Notes will not provide for any gross-up or other payments in the event that payments on the Notes become subject to any such withholding or deduction on account of taxes. See "TAXATION".

Unless an Early Amortisation Event (as defined below, see "SCHEDULE 1 DEFINITIONS – Early Amortisation Event") occurs, amortisation of the Notes will commence on the first Payment Date falling after the expiration of the Replenishment Period (as defined below, see "SCHEDULE 1 DEFINITIONS – Early Amortisation Event") which period starts on the Note Issuance Date and, subject to certain restrictions, ends on (and includes) the Payment Date falling in the thirty-sixth (36th) month after the Note Issuance Date. During the Replenishment Period, the Seller may, at its option, replenish the Portfolio underlying the Notes by offering to sell to the Issuer, on any Payment Date from time to time, additional Receivables. See "TERMS AND CONDITIONS OF

THE NOTES — Replenishment and Redemption" and "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Receivables Purchase Agreement".

The Notes will mature on the Payment Date falling in February 2028 ("**Legal Maturity Date**"), unless previously redeemed in full. The Notes are expected to be redeemed on the Payment Date falling in February 2025 ("**Scheduled Maturity Date**") unless previously redeemed in full. In addition, the Notes will be subject to partial redemption, early redemption and/or optional redemption before the Legal Maturity Date in specific circumstances and subject to certain conditions. See "TERMS AND CONDITIONS OF THE NOTES — Redemption".

The Class A Notes are expected, on issue, to be rated by DBRS Ratings Limited ("**DBRS**") and Standard & Poor's Credit Market Services Europe Limited ("**S&P**"), and together with DBRS, the "**Rating Agencies**". Each of DBRS and S&P is established in the European Community. According to the press release from the European Securities Markets Authority ("**ESMA**") dated 31 October 2011 and the list of registered and certified rating agencies published by ESMA on its website <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>, as last updated on 3 June 2013, DBRS and S&P have been registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) 513/2011. It is a condition of the issue of the Class A Notes that they are assigned the ratings indicated in the above table. No rating will be obtained for the Class B Notes.

Each rating of the Class A Notes by DBRS and S&P addresses the likelihood that the holders of the Class A Notes will receive all payments to which they are entitled, as described herein. Each rating takes into consideration the characteristics of the Purchased Receivables and the structural, legal, tax and Issuer-related aspects associated with the Class A Notes.

However, the ratings assigned to the Class A Notes do not represent any assessment of the likelihood or level of principal prepayments. The ratings do not address the possibility that the holders of the Class A Notes might suffer a lower than expected yield due to prepayments or amortisation or may fail to recoup their initial investments.

The ratings assigned to the Class A Notes should be evaluated independently against similar ratings of other types of securities. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal by the Rating Agencies at any time.

The Issuer has not requested a rating of the Class A Notes by any rating agency other than the Rating Agencies and has not requested any rating of the Class B Notes; there can be no assurance, however, as to whether any other rating agency other than the Rating Agencies will rate the Class A Notes or whether any rating agency will rate the Class B Notes or, if it does, what rating would be assigned by such other rating agency. The rating assigned to the Class A Notes by such other rating agency could be lower than the respective ratings assigned by the Rating Agencies.

In this Prospectus, references to "**euro**", "**Euro**", "**€**" or "**EUR**" are to the single currency which was introduced in Germany as of 1 January 1999.

The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

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RISK FACTORS

The following is an overview of risk factors which prospective investors should consider before deciding to purchase the Notes. Prospective investors are requested to consider all the information in this Prospectus, make such other enquiries and investigations as they consider appropriate and reach their own views prior to making any investment decisions.

The Notes will be solely contractual obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any of the Seller, the Servicer (if different), the Corporate Administrator, the Transaction Security Trustee, the Data Trustee, the Principal Paying Agent, the Calculation Agent, the Cash Manager, the Manager, the Arranger (if different), the Luxembourg Listing Agent, the Luxembourg Intermediary, the Common Safekeeper, or any of their respective affiliates or any affiliate of the Issuer or any other party (other than the Issuer) to the Transaction Documents or any other third person or entity other than the Issuer. Furthermore, no person other than the Issuer will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes.

The Issuer

Credit Aspects of the Transaction

Liability under the Notes, Limited Recourse

The Notes represent obligations of the Issuer only, and do not represent obligations of, and are not guaranteed by, any other person or entity. In particular, the Notes do not represent obligations of, and will not be guaranteed by, any of the Seller, the Servicer (if different), the Corporate Administrator, the Transaction Security Trustee, the Data Trustee, the Principal Paying Agent, the Calculation Agent, the Cash Manager, the Manager, Arranger (if different), the Luxembourg Listing Agent, the Luxembourg Intermediary, the Common Safekeeper, or any of their respective affiliates or any affiliate of the Issuer or any other party (other than the Issuer) to the Transaction Documents or any other third person or entity other than the Issuer. No person other than the Issuer will accept any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes.

Prior to the occurrence of an Issuer Event of Default, all payment obligations of the Issuer under the Notes constitute exclusively obligations to pay out on each Payment Date the Available Distribution Amount determined as of the Cut-Off Date immediately preceding such Payment Date in accordance with the Pre-Enforcement Priority of Payments. Upon the occurrence of an Issuer Event of Default, all payment obligations of the Issuer under the Notes constitute exclusively obligations to pay out the credit standing to the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account (excluding certain amounts stated in Clause 23.1 of the Transaction Security Agreement) and the proceeds of the Collateral in accordance with the Post-Enforcement Priority of Payments. The enforcement of the Collateral by the Transaction Security Trustee is the only remedy available to the Noteholders for the purpose of recovering amounts payable in respect of the Notes.

Without prejudice to the Collateral and the enforcement and application of the proceeds thereof by the Transaction Security Trustee in accordance with the Transaction Security Agreement, under the condition precedent (*aufschiebende Bedingung*) that the Issuer would, at any time, after taking into account all claims of the creditors of the Issuer (including the claims of the Noteholders and the Subordinated Lender), be overindebted (*überschuldet*) within the meaning of section 19 of the German Insolvency Code (*Insolvenzordnung*), to the extent that, and only as long as, it is necessary to avoid such over-indebtedness of the Issuer, the obligations of the Issuer in respect of (in the following order): first, the Subordinated Loan and second, the Notes shall be regarded as junior obligations for the purpose of the German Insolvency Code (*Insolvenzordnung*) but shall not be construed as a waiver (*Erläss, Verzicht*) by the Noteholders and the Subordinated Lender or converted into equity of the Issuer and such junior obligations shall be treated as if they constitute statutory capital of the Issuer (*qualifizierter Rangrücktritt* within the meaning of section 199 sentence 2 of the German Insolvency Code (*Insolvenzordnung*)). Notwithstanding the foregoing subordination, the Issuer shall satisfy such junior obligations by payment to the Transaction Security Trustee for application in accordance with the provisions of the Subordinated Loan Agreement and the Terms and Conditions of the Notes out of future profit (*Gewinn*), liquidation surplus (*Liquidationsüberschuss*) and/or other free assets (*freies Vermögen*) as soon as, and to the extent that, the Issuer can do so without becoming over-indebted and/or illiquid. If no such assets are available for payment of such junior obligations of the Issuer, the Noteholders and the Subordinated Lender shall suffer a shortfall. The obligations of the Issuer in respect of the Notes and the Subordinated Loan shall extinguish immediately prior to the registration of the liquidation of the Issuer at the commercial register (*Anmeldung zum Schluß der Liquidation zum Handelsregister*).

Non-Existence of Purchased Receivables

The Issuer retains the right to bring indemnification claims against the Seller but no other person against the risk that the Purchased Receivables do not exist or cease to exist without encumbrance (*Bestands- und Veritätshaftung*) in accordance with the Receivables Purchase Agreement. If the Loan Contract relating to a Purchased Receivable proves not to have been legally valid as of the Purchase Date or ceases to exist, the Seller will pay to the Issuer a Deemed Collection in an amount equal to the Outstanding Principal Amount of such Purchased Receivable (or the affected portion thereof) pursuant to the Receivables Purchase Agreement.

The same applies if Debtors revoke the Loan Contract. Such revocations are legally possible even after the regular two week time limit if the instruction of revocation (*Widerrufsbelehrung*) used by the Seller or the counterparty of a linked contract within the meaning of section § 358 BGB does not comply with the legal requirements. The legal requirements of notices of revocation are under constant review of the German courts. See "RISK FACTORS – German Consumer Loan Legislation".

Non-Existence of Collateral

The Purchased Receivables are generally unsecured in accordance with the customary practice of the Seller. However, in individual cases there may be an assignment or transfer of collateral to the Seller to secure an individual loan. As such, the Seller does not guarantee the existence of collateral for all Purchased Receivables. This collateral may consist especially, but not only, of the assignment and/or transfer of any security title (*Sicherungseigentum*) to vehicles, payment protec-

tion insurance policies (*Ratenschutzversicherungen*), and/or any claims and rights in respect of wages and social security benefits (to the extent legally possible). According to the Receivables Purchase Agreement, the Issuer will on or before the Note Issuance Date purchase and acquire from the Seller the Purchased Receivables and these existing collaterals, the latter to the extent that they have been validly assigned and/or transferred to the Seller. However, due to the generally unsecured character of the loan product, the Seller has not verified and neither guarantees the value of existing collateral.

Limited Resources of the Issuer

The Issuer is a special purpose financing entity with no business operations other than the issue of the Notes and the purchase and financing of the Purchased Receivables. Therefore, the ability of the Issuer to meet its obligations under the Notes will depend, *inter alia*, upon receipt of:

- payments of principal and interest and certain other payments under the Purchased Receivables pursuant to the Servicing Agreement and the Receivables Purchase Agreement;
- Deemed Collections (if due) from the Seller;
- interest earned on the amounts credited to the Transaction Account and the Purchase Shortfall Account;
- amounts paid by any third party as purchase prices for Defaulted Receivables and any relevant Related Collateral;
- payments (if any) under the other Transaction Documents in accordance with the terms thereof (excluding the Transaction Cost Fee).

Other than the foregoing, the Issuer will have no funds available to meet its obligations under the Notes.

The Notes

Early Redemption of the Notes and Effect on Yield

The yield to maturity of any Note of each Class will depend on, *inter alia*, the amount and timing of payment of principal and interest on the Purchased Receivables and the price paid by the Noteholder for such Note.

As at the Note Issuance Date, the Replenishment Period will commence on (but excluding) the Note Issuance Date and end on (i) the Payment Date falling in the thirty-sixth month after the Note Issuance Date (inclusive) or, if earlier, (ii) the date on which an Early Amortisation Event occurs (exclusive), including, but not limited to the exercise of the Replenishment Termination Option. Following the expiration of the Replenishment Period, the Notes will be subject to redemption (subject to the applicable Class Target Principal Amount) in accordance with the Pre-Enforcement Priority of Payment.

On any Payment Date on or following which all of the Class A Notes have been redeemed in full, the Seller may, subject to certain conditions, repurchase all Purchased Receivables (together with any Related Collateral) which have not been sold to a third party and the proceeds from such repurchase shall constitute Collections and the payments of interest and principal in accordance with the Pre-Enforcement Priority of Payment on such Payment Date will lead to an early redemption of the Notes (see Condition 7.5 (*Early Redemption*) of the Terms and Conditions of the Notes). This may adversely affect the yield on the then outstanding Class B Notes.

In addition, the Issuer may, subject to certain conditions, redeem all of the Notes if under applicable law the Issuer is required to make a deduction or withholding for or on account of tax (see Condition 7.6 (*Optional Redemption for Taxation Reasons*) of the Terms and Conditions of the Notes). This may adversely affect the yield on each Class of Notes.

Non-availability of Subordinated Loan

After the Note Issuance Date, the Issuer will not be entitled to any further drawings under the Subordinated Loan to fill or re-fill the Reserve Fund up to the Required Reserve Amount or otherwise to make payments in respect of principal or interest on the Notes. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Subordinated Loan Agreement".

Conflicts of Interest

The Servicer may hold and/or service claims against the Debtors with respect to Receivables other than the Purchased Receivables. The interests or obligations of the Servicer in its respective capacities with respect to such other claims may in certain aspects conflict with the interests of the Noteholders.

The Manager/Arranger may engage in commercial relationships, in particular, be lenders, and provide investment banking and other financial services to the Debtors and other parties. In such relationships the Manager/Arranger are not obliged to take into account the interests of the Noteholders. Accordingly, conflicts of interest may arise in this transaction.

Ratings of the Class A Notes

Each rating assigned to the Class A Notes by the Rating Agencies takes into consideration the structural and legal aspects associated with the Class A Notes and the underlying Purchased Receivables, the credit quality of the Portfolio, the extent to which the Debtors' payments under the Purchased Receivables are adequate to make the payments required under the Class A Notes as well as other relevant features of the structure, including, *inter alia*, the credit situation of the Account Bank, the Seller and the Servicer (if different). Each Rating Agency's rating reflects only the view of that Rating Agency. In particular, the rating assigned by DBRS to the Class A Notes addresses the ultimate payment of principal and interest according to the Terms and Conditions of the Notes. The rating assigned by S&P to the Class A Notes addresses the likelihood of full and timely payment to the Class A Noteholders of all payments of interest on the Class A Notes on each Payment Date and the ultimate payment of principal on the Legal Maturity Date and takes into consideration the characteristics of the Purchased Receivables and the structural, legal, tax and Issuer-related aspects associated with the Notes. Each of DBRS and S&P is established in the European Community. According to the press release from the European Securities Markets Authority ("**ESMA**") dated 31 October 2011 and the list of registered and certified rating agencies published by ESMA on its website <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>, as last updated on 3 June 2013, DBRS and S&P have been registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) 513/2011.

The Issuer has not requested any rating of the Class B Notes and the Issuer has not requested a rating of the Class A Notes by any rating agency other than the Rating Agencies. However, rating organisations may seek to rate the Class B Notes or rating organisations other than the Rating Agencies may seek to rate the Class A Notes and, if such "shadow ratings" or "unsolicited ratings" are low, in particular, in the case of the Class A Notes, lower than the comparable ratings assigned to the Class A Notes by the Rating Agencies, such shadow or unsolicited ratings could have an adverse effect on the value of any Class of Notes. Future events, including events affecting the Account Bank, the Seller and the Servicer (if different) could also have an adverse effect on the rating of any Class of Notes.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organisation. The ratings assigned to the Class A Notes should be evaluated independently from similar ratings on other types of securities. There is no assurance that the ratings will continue for any period of time or that they will not be lowered, reviewed, suspended or withdrawn by the Rating Agencies. In the event that the ratings initially assigned to the Class A Notes by the Rating Agencies are subsequently withdrawn or lowered for any reason, no person or entity is obliged to provide any additional support or credit enhancement to the Notes.

Resolutions of Noteholders

The Notes provide for resolutions of Noteholders to be passed by vote taken without meetings. Each Noteholder is subject to the risk of being outvoted. As resolutions properly adopted are binding on all Noteholders, certain rights of such Noteholder against the Issuer under the terms and conditions may be amended or reduced or even cancelled.

Noteholder's Representative

If the Noteholders appoint a Noteholders' representative by a majority resolution of the Noteholders, it is possible that a Noteholder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions against the Issuer, such right passing to the Noteholders' representative who is then exclusively responsible to claim and enforce the rights of all the Noteholders.

Absence of Secondary Market Liquidity and Market Value of Notes

Although application has been made to admit the Notes to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange, there is currently no secondary market for the Notes. Even if the Manager could establish a secondary market for the Notes, they are not necessarily obliged to do so and any market activity which existed in the past can be easily terminated at any time without prior notice. If there is no market activity (namely, bids and offers) by the Manager, it is unlikely that a liquid secondary market will be established. In view of these factors, there can be no assurance that a secondary market for the Notes will develop or that a market will develop for all Classes of Notes or if it develops, that it will provide Noteholders with liquidity of investment, or that it will continue for the for the whole life of the Notes. Further, the secondary markets are currently experiencing severe disruptions resulting from reduced investors demand for asset-backed securities and increased investor yield requirements for those securities. As a result, the secondary market for asset-backed securities is experiencing extremely limited liquidity. These conditions may continue

or worsen in the future. Limited liquidity in the secondary market for asset-backed securities has had a severe adverse effect on the market value of asset-backed securities. Limited liquidity in the secondary market may continue to have a severe adverse effect on the market value of asset-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors. Consequently, any purchaser of the Notes must be prepared to hold such Notes for an indefinite period of time or until final maturity of such Notes. The market values of the Notes are likely to fluctuate. Any such fluctuation may be significant and could result in significant losses to investors in the Notes. In addition, the forced sale into the market of asset-backed securities held by structured investment vehicles, hedge funds of collateralised debt obligations and other similar entities that are currently experiencing funding difficulties could adversely affect an investor's ability to sell, an/or the price an investor receive for, the Notes in the secondary market.

Eurosystem Eligibility

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as Class A Common Safekeeper and does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem ("**Eurosystem Eligible Collateral**") either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria set out in the Guideline of the European Central Bank of 20 September 2011 on monetary policy instruments and procedures of the Eurosystem (recast) (ECB/2011/14), as amended from time to time and as supplemented by the temporary criteria for certain asset-backed securities contained in the Guideline of the European Central Bank of 20 March 2013 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9 (recast) (ECB/2013/4) and in the decision of the European Central Bank of 26 September 2013 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral (ECB/2013/36) (together, the "**Temporary Framework**"). In addition, the Issuer will use its best efforts to make loan level details available in such manner as may be required in the future to comply with the Eurosystem eligibility criteria, subject to applicable data protection laws.

In addition, on 15 December 2010 the Governing Council of the European Central Bank (the "**ECB**") has decided on the establishment of loan-by-loan information requirements for asset-backed securities ("**ABS**") in the Eurosystem collateral framework. The implementation of the loan-level reporting requirements has become effective for consumer finance ABS as of 1 January 2014 (as set out in Appendix 8 (loan level data reporting requirements for ABS) of the Guideline of the ECB on monetary policy instruments and procedures of the Eurosystem (ECB/2011/14) as amended and applicable from time to time).

The Seller has as long as the Class A Notes are outstanding the right but not the obligation to make loan level data in such a manner available as may be required to comply with the Eurosystem eligibility criteria (as set out in Appendix 8 (loan level data requirements for ABS) of the Guideline of the ECB on monetary policy instruments and procedures of the Eurosystem (ECB/2011/14) as amended and applicable from time to time), subject to applicable data protection and banking requirements.

If the Class A Notes do not satisfy the criteria specified by the ECB, or if the Seller fails to submit the required loan-level data once applicable, there is a risk that the Class A Notes will not be Eurosystem Eligible Collateral. Each of the Issuer, the Manager or the Arranger gives no representation, warranty, confirmation or guarantee to any investor in the Class A Notes that the Class A Notes will, either upon issue, or any or at all times during their life, satisfy all or requirements for Eurosystem eligibility and be recognised as Eurosystem Eligible Collateral. Any prospective investor in the Class A Notes should make their own conclusion and seek their own advice with respect to whether or not the Class A Notes constitutes Eurosystem Eligible Collateral.

Revisions to Basel II Risk-Weighted Asset Framework

The Basel Committee on Banking Supervision (the "**Committee**") published in July 2009 "Revisions to the Basel II market risk framework" and "Enhancements to the Basel II framework", which provide for a number of enhancements targeting each of the three Pillars "**minimum capital requirements**", "**supervisory review process**" and "**market discipline**" set-forth by the Committee in its June 2006 publication "Basel II: International Convergence of Capital Measurement and Capital Standards: A Revised Framework (Comprehensive Version)" (the "**Framework**"). As set out therein, banks are expected to comply with the revised requirements by 31 December 2010. As for the Framework, these revisions and enhancements are not self-implementing, but are subject to being put into effect by the participants. In 2009, the European Parliament and the Council adopted certain amendments to the EU Capital Requirements Directive (the "**CRD**") which were to be transposed into national law by each EU Member State by 31 October 2010 and must be applied from 31 December 2010 onwards. These amendments include in respect of securitisations a new Article 122a CRD providing for new disclosure and investor due diligence requirements, a requirement to apply a common approach to origination and monitoring regardless of whether assets are to be securitised or held on a bank's own books and implement also the controversial "skin in the game" proposals that (broadly) require originators/sponsors of securitisations to retain a minimum 5% net economic interest in those securitisations so as to enable credit institutions to invest in the securitisation. The amended CRD has been transposed into German law in 2010 by the CRD Amendment and Implementation Act (*CRD II-Umsetzungsgesetz*), which came into effect on 31 December 2010.

In 2010, the European Parliament and the Council adopted a further set of amendments to the CRD concerning changes, inter alia, to the operational risk and re-securitisation capital requirements as a result of certain amendments to the Basel II capital adequacy rules. Most of these amendments had to be transposed into national law by each EU Member State by 31 December 2011. In Germany, the last of these amendments were transposed into national law by the Second Regulation on the Further Transformation of the Amended Bank Directive and the Amended Capital Requirement Directive (*Zweite Verordnung zur weiteren Umsetzung der geänderten*

Bankenrichtlinie und der geänderten Kapitaladäquanzrichtlinie) dated 26 October 2011 issued by BaFin, which came into force on 31 December 2011.

In December 2010, the Committee published proposals for further changes to the Framework ("Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer"). The proposals include new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. These include, without limitation, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the liquidity coverage ratio and net stable funding ratio, respectively). The new EU capital rules for banks and investment firms set out in the fourth Capital Requirements Directive 2013/36/EU and the Capital Requirements Regulation (Regulation (EU) No 575/2013, the "**CRR**", collectively the "**CRD IV**" package), came into effect on 31 December 2013 and 1 January 2014, respectively. The recast securitisation risk retention and due diligence requirements are now incorporated in the CRR which is, as a regulation, directly applicable in the EU Member States without the need for national implementation.

The CRR, and, as and when implemented, the CRD IV or (as the case may be) the Framework and its amendments could affect the risk-based capital treatment of the Notes for investors which are subject to bank capital adequacy requirements under the CRR and relevant national legislation implementing the CRD IV and/or requirements that follow or are based on the Framework.

In particular, in case of material negligent non-compliance with the requirements set out in Article 405 and 409 of the CRR by the originator or sponsor credit institution, a proportionate additional risk weight of not less than 250 % of the risk weight (the total risk weight being capped at 1250 %) otherwise applicable to the relevant securitisation position will be imposed on such credit institution and such risk weight will progressively increase with each subsequent infringement of one of the due diligence provisions. The same applies in case of any material negligent non-compliance with the due diligence obligations on the part of a credit institution investing in the Notes as set out in Article 406 of the CRR. Non-compliance of the Seller with Articles 405 and 409 of the CRR may hence negatively affect the ability of the Noteholders to sell, and/or the price received for, the Notes in the secondary market. There is no assurance that any reference to the Seller's retention of net economic risk in this Prospectus constitutes sufficient disclosure by the Seller in view of adequately supporting the due diligence investigation on the part of the Noteholders for the purposes of Article 406 of the CRR.

Consequently, prospective investors and Noteholders should consult their professional advisers as to the consequences to and effect on them of the application of the Framework and its amendments and any relevant implementing measures. No predictions can be made as to, and the Issuer is not responsible for informing the prospective investors and Noteholders of, the effects of the changes to risk-weighting as a result of implementation of the Framework and its amendments.

It is reasonable to expect further amendments to the Framework, the CRD IV and the CRR in the near and medium term future, and there is no assurance that the regulatory capital treatment of the Notes for investors will not be affected by any future change to the Framework, the CRD IV or the CRR. In particular, in December 2012 the Committee has issued a consultative document regarding "**Revisions of the Basel Securitisation Framework**". The proposed revisions seek to make, *inter alia*, capital requirements with respect to securitisation exposures more prudent and risk sensitive and at the same time serve to reduce mechanic reliance on external credit ratings. The proposals include, amongst other things, (i) a revised hierarchy of approaches of risk evaluation and capital assignment applicable to certain types of securitisation exposures, (ii) revised ratings- based approach and modified supervisory formula approach incorporating additional risk drivers (such as maturity), which are intended to create a more risk-sensitive and prudent calibration, and (iii) new approaches, such as a simplified supervisory approach and different applications of the concentration ratio based approach. The Committee has not yet published a rules text to effectuate the proposed changes and is currently seeking industry feedback on some key elements of the proposed changes. Further, the Committee will be conducting a quantitative impact study of the proposals prior to deciding on definitive revisions to the Framework. Thus, at this stage, it cannot be predicted which changes to the Framework will be effectuated, and whether and when such changes would be implemented into EU and national law.

For further details please refer to "*Risks related to Articles 405 and 406 of the CRR and Article 17 of the AIFMD*".

Risks related to Articles 405 and 406 of the CRR and Article 17 of the AIFMD

Regulatory initiatives may result in increased regulatory capital requirements for certain investors and/or decreased liquidity in respect of the Notes.

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset backed securities industry. This has resulted and may in the future result in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Manager or the Seller makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment in the Notes on the Note Issuance Date or at any time in the future.

Investors that are EU regulated credit institutions or investment firms should be aware of Articles 405 and 406 of the CRR, which replaced Article 122a of the CRD (implemented in Germany in Sections 18a, 18b of the German Banking Act (*Kreditwesengesetz*)) as of 1 January 2014. It applies, *inter alia*, to credit institutions and investment firms exposed to the credit risk of a securitisation position under a securitisation transaction. Article 405(1) of the CRR restricts an EU regulated credit institution or investment firm from becoming exposed to the credit risk of a securitisation position, unless the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the EU regulated credit institution or investment firm that it will retain, on an ongoing basis, a material net economic interest of not less than 5 per cent. in respect of certain specified credit risk tranches or exposures as contemplated by Article 405(1) of

the CRR. With a view to support compliance with the requirements of Article 405 paragraph (1)(d) of the CRR, the Seller will do each of the following: First, the Seller will retain, in its capacity as originator within the meaning of Article 405 of the CRR, on an ongoing basis until the earlier of (i) the redemption of the Notes in full and (ii) the Legal Maturity Date, a first loss tranche constituted by the claim for repayment of a loan advance of EUR 13,500,000 made available by the Seller in its capacity as Subordinated Loan Provider to the Issuer under the Subordinated Loan Agreement as of the Note Issuance Date. The nominal amount of such loan advance equals 1 per cent. of the Aggregate Outstanding Principal Amount as of the Note Issuance Date. Pursuant to the Pre-Enforcement Priority of Payments and the Post-Enforcement Priority of Payments (as applicable), any payments due under the Subordinated Loan Agreement are subordinated to payments due under the Notes. Second, the Seller will retain, on an ongoing basis until the earlier of (i) the redemption of the Class A Notes in full and (ii) the Legal Maturity Date, Class B Notes in an aggregate principal amount of no less than 4 per cent. of the Aggregate Outstanding Principal Note Amount as of the Note Issuance Date (the "**Retained Class B Notes**"). The Seller will purchase and acquire the Retained Class B Notes under the Subscription Agreement. Pursuant to the Subscription Agreement, the Seller undertakes to retain the Retained Class B Notes and not to sell and/or transfer them (whether in full or in part) to any third party until the earlier of (i) the redemption of the Class A Notes in full and (ii) the Legal Maturity Date.

Article 406 of the CRR also requires an EU regulated credit institution or investment firms to be able, before becoming exposed to the risks of a securitisation, and as appropriate thereafter, to demonstrate to the competent authorities for each of their individual securitisation positions, that they have a comprehensive and thorough understanding of and have implemented formal policies and procedures appropriate to their trading book and non-trading book and commensurate with the risk profile of their investments in securitised positions for analysing and recording:

- (a) information disclosed under Article 405(1), by originators, sponsors or original lenders to specify the net economic interest that they maintain, on an ongoing basis, in the securitisation;
- (b) the risk characteristics of the individual securitisation position;
- (c) the risk characteristics of the exposures underlying the securitisation position;
- (d) the reputation and loss experience in earlier securitisations of the originators or sponsors in the relevant exposure classes underlying the securitisation position;
- (e) the statements and disclosures made by the originators or sponsors, or their agents or advisors, about their due diligence on the securitised exposures and, where applicable, on the quality of the collateral supporting the securitised exposures;
- (f) where applicable, the methodologies and concepts on which the valuation of collateral supporting the securitised exposures is based and the policies adopted by the originator or sponsor to ensure the independence of the valuer;
- (g) all the structural features of the securitisation that can materially impact the performance of the institution's or investment firm's securitisation position, such as the contractual waterfall and waterfall related triggers, credit enhancements, liquidity enhancements, market value triggers, and deal-specific definitions of default.

Furthermore, institutions or investment firms shall establish formal procedures appropriate to their trading book and non-trading book and commensurate with the risk profile of their investments in securitised positions to monitor on an ongoing basis and in a timely manner performance information on the exposures underlying their securitisation positions.

Failure to comply with one or more of the requirements set out in Articles 405 or 406 of the CRR or the provisions of the AIFMD may result in the imposition of a penal regulatory capital charge on the Notes acquired by the relevant investor.

Investors should also be aware of Article 17 of EU Directive 2011/61/EC on Alternative Investment Fund Managers (the "**AIFMD**") and Chapter III, Section 5 of Regulation 231/2013 supplementing the AIFMD (the "**AIFM Regulation**"), the provisions of which introduced risk retention and due diligence requirements (which took effect from 22 July 2013 in general) in respect of alternative investment fund managers (the "**AIFMs**") that are required to become authorised under the AIFMD. While the requirements applicable to AIFMs under Chapter III, Section 5 of the AIFM Regulation are similar to those which apply under Articles 405 and 406 of the CRR, they are not identical and, in particular, additional due diligence obligations apply to AIFMs.

Each of Articles 405 and 406 of the CRR and Chapter III, Section 5 of the AIFM Regulation applies in respect of the Notes. Affected investors and AIFMs should therefore make themselves aware of such requirements (and any corresponding implementing rules of their regulator) where applicable to them and should be aware that a failure to comply with applicable provisions may result in administrative penalties, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. Relevant investors are required to independently assess and determine the sufficiency of the information described in this Prospectus for the purposes of complying with any relevant requirements, including Articles 405 and 406 of the CRR (and any corresponding implementing rules of their regulator) and Chapter III, Section 5 of the AIFM Regulation and none of the Issuer, the Seller, the Servicer, the Cash Manager, the Calculation Agent, the Manager, or any Transaction Party makes any representation that the information described above is sufficient in all circumstances for such purposes.

Certain aspects of Articles 405 and 406 of the CRR and Chapter III, Section 5 of the AIFM Regulation and what is required to demonstrate compliance to national regulators remain unclear. Investors who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory charges for non-compliance with Articles 405 and 406 of the CRR or to avoid being required to take corrective action under Chapter III, Section 5 of the AIFM Regulation should seek guidance from their regulator.

It should be noted that the existing guidelines on Article 122a of the CRD published by the Committee of European Banking Supervisors (the "**Guidelines**") on 31 December 2010 (which are also relevant with respect to the interpretation of Chapter III, Section 5 of the AIFM Regulation) and the Q&A document subsequently published by the EBA (the "**Q&A**") on 29 September 2011 are expected to be replaced with new (and potentially different) regulatory technical standards. On 17 December 2013, the European Banking Authority (the "**EBA**") published final draft regulatory technical standards (the "**RTS**") and implementing technical standards (the "**ITS**" and together the "**Draft Technical Standards**" and once adopted and in force, the "**Technical Standards**"), relating to Articles 404-410 of the CRR. The EBA submitted the Draft Technical Standards to the Eu-

European Commission on 17 December 2013, but it is not yet clear as when they will take effect. There are significant differences between the Draft Technical Standards and the Guidelines and Q&A and once approved the Technical Standards may result in changes to the requirements applying to affected investors and/or to the Guidelines and Q&A previously published by the regulatory authorities. No assurance can be provided that the implementation of or further changes to the Technical Standards will not affect the requirements applying to relevant investors.

It should also be noted that similar requirements to those set out in Articles 405 and 406 of the CRR and Chapter III, Section 5 of the AIFM Regulation are expected to be implemented for other types of EU regulated investors (such as insurance and reinsurance undertakings and UCITS funds) in the future.

Articles 405 and 406 of the CRR, Chapter III, Section 5 of the AIFM Regulation and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

Economic Conditions in the Euro-zone

Concerns relating to credit risks (including that of sovereigns and those of entities which are exposed to sovereigns) have recently intensified. In particular, concerns have been raised with respect to current economic, monetary and political conditions in the Euro-zone. If such concerns persist and/or such conditions further deteriorate (including as may be demonstrated by any relevant credit rating agency action, by default or restructuring of indebtedness by one or more states or institutions and/or any changes to, including any break-up of, the Euro-zone), then these matters may cause further severe stress in the financial system generally and/or may adversely affect one or more of the parties to the Transaction Documents (including the Seller and/or the Servicer and or any Debtor in respect of the Purchased Receivables). Given the current uncertainties and the range of possible outcomes, no assurance can be given as to the impact of any of the matters described above and, in particular, no assurance can be given that such matters would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

The following should be read in conjunction with "TAXATION — Taxation in Germany" below.

Corporate Income and Trade Tax

If a Debtor under a Purchased Receivable is in default with regard to payments under a Loan Contract, the Issuer is in general obliged to adjust the value of its receivables as shown in its financial statements reflecting the value of the Purchased Receivable.

However, an impairment of the underlying receivables or any depreciations, write-offs or other forms of adjustments will not cause a loss for tax purposes as long as its corresponding liability *vis-à-vis* the Noteholders as shown in its financial statements is reduced accordingly during the same fiscal year. Furthermore, a loss for tax purposes would not occur if the Purchased Receivables shown in the Issuer's financial statements form an evaluation unit for accounting purposes (*Bewertungseinheit*) with the Issuer's liabilities *vis-à-vis* the Noteholders. If the corresponding liability *vis-à-vis* the Noteholders could not be reduced and/or an evaluation unit would not be recognised by the tax authorities, the Issuer may incur a loss in the respective fiscal year. In that

case, negative tax implications could arise to the extent that loss cannot be fully used to off-set taxable income of the Issuer in the relevant year of origination of such loss. Although, the exceeding loss could be carried-forward for tax purposes ("**Tax Loss Carry-Forward**") in subsequent business years, under German tax laws, the set-off in the following years would be limited for trade tax and corporate income tax purposes to an amount of EUR 1,000,000 whereas only 60 % of the Issuer's taxable profits exceeding such threshold amount ("**Excess Profit**") could be offset by the remaining Tax Loss Carry Forward. Thus, a tax liability of the Issuer may arise to the extent the Excess Profit cannot be set-off by the Tax Loss Carry-Forward.

VAT

The Issuer's income resulting from the issuance of the Notes to the Noteholders (i.e. its interest income) is VAT-exempt. Since VAT-exempt activities do in general not allow for the recovery of input-VAT derived from services received from other entrepreneurs, the Issuer is not entitled to recover any input-VAT imposed on the servicing and management services received from other parties such as, *inter alia*, the Servicer.

A secondary liability of the Issuer pursuant to Section 13c UStG could under certain circumstances arise for VAT owed and not paid by the Seller, if and to the extent that the enforcement of a security granted by a Debtor to the Seller is considered to be a VATable and non-VAT-exempt supply by the Seller to the Debtor and, subsequently, by the Debtor to the purchaser in accordance with Sec. 1.2 UStAE and, *inter alia*, the decisions of the BFH, dated 19 July, 2007 (V B 222/06) and 23 July, 2009 (V R 27/07). Although, Section 13c.1 para. 18 *et seqq.* UStAE stipulates that Section 13c UStG only applies if the receivables are collected by the purchaser. According to Section 13c.1 para. 27 UStAE in securitization transactions the purchaser of receivables is not to be treated as having collected the purchased receivables if and to the extent that the purchaser paid an appropriate consideration for such receivables. As the Issuer will pay a consideration that reflects market value, Section 13c.1 para. 27 UStAE would apply and therefore, the Issuer could not be held liable for any VAT (if any) not paid by the Seller with regard to the Purchased Receivables.

If the tax authorities took a different view, the Issuer could be held liable for any VAT at a rate of 15.97 % on the difference between the nominal value of the Purchased Receivables and the Purchase Price pertaining to such Receivables.

Withholding Tax

Based on the consideration that the Notes do not qualify as profit participating loans (*partiarische Darlehen*) within the meaning of Section 20 para. 1 No. 4 EStG, the Issuer has been advised that no tax has to be withheld upon payments of interest on the Notes. Under the terms and conditions of the Notes, payment of interest on the Notes is not part on the Issuer's profits. The holders of the Notes are merely entitled to a fixed coupon. Based upon the prevailing view in German literature, the mere fact that a holder of an instrument bears the credit risk of an issuer is generally not sufficient to assume an effective participation in the respective issuer's profits by the holder. The BFH stated in its decision dated 22 June 2010, I R 78/09 as an *obiter dictum* that the mere fact that an interest payment is deferred until the borrower has sufficient liquidity would give rise to a treatment of the loan as profit participating because in this case the interest claim would only be fulfilled once the borrower has realized an operating profit. However, the facts of the court decision

regarding the underlying loan are significantly different compared to the terms and conditions of the Notes.

If the tax authorities came to a different view and the Notes were treated as profit participating loans, the Issuer would have to withhold taxes in an amount of 26.375 % on each interest payment under a Note. The Noteholder could generally treat such withholding tax as a prepayment of their German income tax and solidarity surcharge liability and would generally be entitled to a refund of the over-withheld amounts based on an assessment to tax. However, this credit and/or refund would only occur at a later point in time so that the Noteholder would sustain a liquidity disadvantage. For Noteholders who are not tax residents of Germany the entitlement to receive a tax credit or refund might be subject to further requirements or, depending on applicable Double Tax Treaties, not be given at all.

No Advance Binding Ruling

The Issuer has not applied for an advance binding ruling (*verbindliche Auskunft*) with the competent tax office regarding the tax treatment of certain issues described in the preceding paragraphs and the paragraph TAXATION — Taxation in Germany. Therefore, the tax authorities did not have the opportunity to review the structure of the transaction before and to confirm by way of a binding statement the interpretation of the relevant tax law provisions as outlined in this Prospectus. Hence, it could not be excluded that the tax authorities will take another position when it comes to assessing the tax liabilities of the Issuer.

Potential Foreign Account Tax Compliance Act Withholding after 31 December 2016

Under certain provisions of the U.S. Internal Revenue Code (commonly referred to as "**FATCA**"), the Issuer may become subject to a 30% withholding tax on certain payments it receives unless it enters into an agreement (a "**FATCA agreement**") with the U.S. Internal Revenue Service (the "**IRS**") pursuant to which it agrees to report to the IRS information about its "United States accounts" and complies with certain procedures to be further determined by the IRS. However, on 31 May 2013 the United States and the Federal Republic of Germany concluded an intergovernmental agreement to "Improve International Tax Compliance and with respect to the United States Information and Reporting Provisions commonly known as the Foreign Account Tax Compliance Act" (the "**German IGA**"). Under the German IGA, the United States and the Federal Republic of Germany have agreed to implement FATCA through domestic reporting duties for financial institutions, an automatic exchange of account information between the public authorities of the two countries and on the basis of existing bilateral tax treaties. Once the provisions of the German IGA have entered into force in Germany, the Issuer does not have to enter into a FATCA agreement, but has to comply with the requirements under the German IGA in order to become a participating foreign financial institution ("**participating FFI**"). According to the joint declaration of understanding regarding the German IGA issued on 31 May 2013, the U.S. Department of the Treasury intends to treat each German financial institution as complying with FATCA and not subject to the 30% withholding tax on payments it receives during the time the Federal Republic of Germany is pursuing the necessary internal procedures for the entry into force of the German IGA.

It can be expected that as a participating FFI the Issuer would have to report to the German tax authorities (and thus, indirectly, to the IRS) accountholders that are U.S. persons for purposes of

U.S. federal income taxation. In addition, the Issuer (or if payments on the Notes are made through an intermediary such as a clearing system or broker that is a participating FFI, such participating FFI) may then be required, pursuant to the German IGA (or if payments on the Notes are made through an intermediary pursuant to the intermediary's FATCA agreement or an applicable intergovernmental agreement) to apply a 30% withholding tax (a "**FATCA Withholding**") to any payment made on the Notes after 31 December 2016 to a foreign financial institution that is not a participating FFI or to accountholders who have not identified themselves as not being U.S. persons for purposes of U.S. federal income taxation, to the extent the payment is considered to be a "foreign passthru payment". Under current guidance, the term "foreign passthru payment" is not defined (although conceptually the term refers to the portion of U.S. source income relative to the overall income of a participating FFI) and it is not yet clear whether or to what extent payments on the Notes will be treated as "foreign passthru payments".

Under issued guidance, if the Notes are significantly modified after the date that is six months after the date on which final U.S. Treasury regulations define the term "foreign passthru payment," (such date, the "**Grandfather Date**") then pursuant to FATCA, the Issuer (if it becomes a Participating FFI) may be required to withhold U.S. tax at a rate of 30% on all, or a portion of, payments made after December 31, 2016 in respect of the Notes. More specifically, a FATCA withholding tax may be triggered on payments to an investor in Notes if the Issuer becomes a Participating FFI and (a) an investor in Notes does not provide information sufficient for the Issuer that is making payment to determine whether the investor is either (i) a U.S. person or (ii) a non-U.S. person that is treated as holding a "United States Account" of the Issuer (e.g., certain non-U.S. investors that have beyond a requisite threshold of U.S. owners), along with adequate information regarding such U.S. owners, or (b) any FFI through or to which payment on the Notes is made is not a Participating FFI or an FFI that is deemed to comply with FATCA. To be clear, if the Notes are not significantly modified after the date that is six months after the date on which such final U.S. Treasury regulations are issued, the Notes would be considered "Grandfathered Obligations" and payments made with respect to the Notes would not be subject to FATCA withholding tax, information reporting or due diligence.

Holders of Notes should consult their tax advisors regarding the application of FATCA to an investment in the Notes and their ability to obtain a refund of any amounts withheld under FATCA.

The U.S. Treasury Department and the IRS recently issued regulations that would implement certain provisions of FATCA. The Treasury Department and the IRS may modify or supplement these regulations in a way that would alter the application of FATCA to the Issuer and the Notes.

No Gross-Up for Taxes

If required by law, any payments under the Notes will only be made after deduction of any applicable withholding taxes and other deductions. The Issuer will not be required to pay additional amounts in respect of any withholding (including FATCA-withholding) or other deduction for or on account of any present or future taxes, duties or charges of whatever nature. See "TERMS AND CONDITIONS OF THE NOTES — Taxes". In such event, subject to certain conditions, the Issuer will be entitled (but will have no obligation) to redeem the Notes in whole but not in part at their then outstanding Note Principal Amount, see "TERMS AND CONDITIONS OF THE NOTES — Redemption — Optional Redemption for Taxation Reasons".

EU Savings Directive

Holders who are individuals or certain corporations should note that the Issuer will not pay additional amounts in respect of any withholding tax imposed as a result of the EU Savings Directive.

For Details as regards the EU Savings Directive, please refer to "TAXATION — Taxation in Germany".

Exchange Controls

Except in limited embargo circumstances, there are no legal restrictions in Germany on international capital movements and foreign exchange transactions. However, for statistical purposes only, every individual or corporation residing in Germany must report to the German Central Bank (*Deutsche Bundesbank*), subject to certain exceptions, any payment received from or made to an individual or a corporation resident outside of Germany if such payment exceeds EUR 12,500 (or the equivalent in a foreign currency).

Legal Structure

No Right in Loan Contract

The ownership of a Note does not confer any right to, or interest in, any Loan Contract or any right against the Debtor nor any third party under on in connection with the Loan Contract or against the Seller or the Servicer.

Insolvency Law

Under German insolvency law, in insolvency proceedings of a debtor, a creditor who is secured by the assignment of receivables by way of security will have a preferential right to such receivables (*Absonderungsrecht*). Enforcement of such preferential right is subject to the provisions set forth in the German Insolvency Code (*Insolvenzordnung*). In particular, the secured creditor may not enforce its security interest itself. Instead, the insolvency administrator appointed in respect of the estate of the debtor will be entitled to enforcement. The insolvency administrator is obliged to transfer the proceeds from such enforcement to the creditor. He may, however, deduct from the enforcement proceeds fees which may amount to 4% of the enforcement proceeds for assessing such preferential rights plus up to 5% of the enforcement proceeds as compensation for the costs of enforcement. In case the enforcement costs are considerably higher than 5% of the enforcement proceeds, the compensation for the enforcement costs may be higher.

Accordingly, the Issuer may have to share in the costs of any insolvency proceedings of the Seller in Germany, reducing the amount of money available upon enforcement of the Collateral to repay the Notes, if the sale and assignment of the Purchased Receivables by the Seller to the Issuer were to be regarded as a secured lending rather than a receivables sale. The Issuer has been advised, however, that the transfer of the Purchased Receivables would be construed such that the risk of the insolvency of the Debtors lies with the Issuer and that, therefore, the Issuer would have the right to segregation (*Aussonderungsrecht*) of the Purchased Receivables from the estate of the Seller in the event of its insolvency and that, consequently, the cost sharing provisions described above would not apply with respect thereto.

However, such right of segregation will not apply with respect to any Related Collateral transferred to the Issuer if insolvency proceedings are instituted in respect of the relevant Debtor in Germany. In that case, the cost sharing provisions will apply.

Assignability of Purchased Receivables

As a general rule under German law, receivables are assignable unless their assignment is excluded either by mutual agreement or by the nature of the receivables to be assigned. Except as stated below under the heading "Banking Secrecy", there is no published court precedent of the German Federal Court of Justice (*Bundesgerichtshof*) or any German Higher Regional Courts (*Oberlandesgerichte*) confirming that receivables arising out of consumer loan contracts or other credit contracts are not assignable either generally or in a refinancing transaction or an asset-backed securitisation. Pursuant to the Receivables Purchase Agreement, the Seller has warranted to the Issuer that the Loan Contracts under which the Purchased Receivables have been generated are based on certain standard forms. Such standard forms do not specifically prohibit the Seller from transferring its rights under the relevant Loan Contract to a third party for refinancing purposes. Pursuant to the Receivables Purchase Agreement, the Seller has warranted to the Issuer that the provisions of the Loan Contracts are valid. The Seller has also warranted to the Issuer in the Receivables Purchase Agreement that the assignment of the Purchased Receivables to the Issuer is not prohibited and valid.

Notice of Assignment

The assignment of the Purchased Receivables and the assignment and transfer of Related Collateral may only be disclosed to the relevant Debtors at any time by the Purchaser or through the Servicer in accordance with the Servicing Agreement or where the Seller agrees otherwise. Until the relevant Debtors have been notified of the assignment of the relevant Purchased Receivables, they may undertake payment with discharging effect to the Seller or enter into any other transaction with regard to such Purchased Receivables which will have binding effect on the Issuer and the Transaction Security Trustee. Each Debtor may further raise defences against the Issuer and the Transaction Security Trustee arising from its relationship with the Seller which are existing at the time of the assignment of the Purchased Receivables. Further, each Debtor is entitled to set-off against the Issuer and the Transaction Security Trustee its claims, if any, against the Seller unless such Debtor has knowledge of the assignment upon acquiring such claims or such claims become due only after the Debtor acquires such knowledge and after the relevant Purchased Receivables themselves become due. The Seller has warranted that it is not aware that any Debtor has asserted any lien, right of rescission, counterclaim, set-off, right to contest or defence against it in relation

to any Loan Contract. In addition, following the occurrence of a Set-Off Reserve Trigger Event, the risk of any shortfall due to certain set-off rights on the part of the Debtor is mitigated by the Set-Off Reserve Amount to be credited to the Set-Off Reserve Account. See "CREDIT STRUCTURE—Set-Off Reserve".

Banking Secrecy

On 25 May 2004, the Higher Regional Court (*Oberlandesgericht*) in Frankfurt am Main rendered a ruling with respect to the enforcement of collateral securing non-performing loan receivables. In its ruling, the court took the view that the banking secrecy duties embedded in the banking relationship create an implied restriction on the assignability of loan receivables pursuant to Section 399 of the German Civil Code (*Bürgerliches Gesetzbuch*), if the loan agreement is not a business transaction (*Handelsgeschäft*) within the meaning of Section 343 of the German Commercial Code (*Handelsgesetzbuch*) for both the borrower and the bank (see "– Assignability of Purchased Receivables" above). On 27 February 2007, the German Federal Court of Justice (*Bundesgerichtshof*) issued a ruling (docket no. XI ZR 195/05) confirming the traditional view that a breach of the banking secrecy duty by the bank does not render the sale and assignment invalid but may only give rise to defences (including damage claims) against the assignor. The ruling relates to a mortgage loan agreement which included terms allowing for the assignment of the loan receivables and collateral thereunder for refinancing purposes. However, notwithstanding those terms, the court held as a general matter that banking secrecy duties do not create an implied restriction on the assignability of loan receivables and that the German Federal Data Protection Act (*Bundesdatenschutzgesetz*) (see "– German Federal Data Protection Act (*Bundesdatenschutzgesetz*)" below) does not constitute a statutory restriction on the assignability of loan receivables.

In addition, the Issuer has been advised that, while the aforementioned 2004 Frankfurt Higher Regional Court (*Oberlandesgericht*) decision appeared to be based on the premise that an assignment of loan receivables leads necessarily to an undue disclosure of borrower-related data, this premise is not correct as the assignment can be structured in a way that avoids the disclosure of these data to the assignee. This view has been confirmed by the German Federal Court of Justice (*Bundesgerichtshof*) in its aforementioned recent ruling. In accordance with circular 4/97 of the BaFin which was expressly referred to by the German Federal Court of Justice (*Bundesgerichtshof*) in the ruling, a breach of the banking secrecy duty may be avoided by using a data trustee who keeps all data relating to the identity and address of each borrower in safe custody and discloses such data only upon insolvency or material violation of the seller in respect of its obligations toward the purchaser. Here, the Issuer, the Seller and the Data Trustee have agreed that certain data including the identity and address of each Debtor and provider of Related Collateral are not to be sent to the Issuer on the Purchase Date but only to the Data Trustee. Under the Data Trust Agreement, the Data Trustee will safeguard the data and may disclose the data to any substitute servicer or the Transaction Security Trustee only upon the occurrence of certain events including a notice to the Data Trustee regarding the termination of the Seller as Servicer under the Servicing Agreement or a Notification Event or a notice to the Data Trustee that knowledge of the relevant data is necessary for the Issuer (acting through such substitute servicer) to pursue legal remedies and prosecution of legal remedies through the Servicer is inadequate (see "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Data Trust Agreement").

German Federal Data Protection Act (Bundesdatenschutzgesetz)

According to the German Federal Data Protection Act, a transfer of a customer's personal data is permitted if (a) the relevant customer has consented to such transfer or (b) such transfer is permitted by law, or (c) such transfer is (i) necessary in order to maintain the legitimate interests of the person storing the data and (ii) there is no reason to believe that the legitimate interests of the customer to prevent the processing and use of data should prevail over such other storer's interests. The Issuer is of the view that the transfer of the Debtors' personal data in connection with the assignment of the rights under the Purchased Receivables relating to Related Collateral is in compliance with (c) above and is necessary to maintain the legitimate interests of the Seller, the Issuer and the Transaction Security Trustee. In addition, the Issuer is of the view that the protection mechanisms provided for in the Data Trust Agreement and the Receivables Purchase Agreement take into account the legitimate interests of the Debtors to prevent the processing and use of data by any of the Seller, the Issuer and the Transaction Security Trustee.

German Consumer Loan Legislation

The provisions of the German Civil Code (*Bürgerliches Gesetzbuch*) which incorporate the provisions of the former German Consumer Credit Act (*Verbraucherkreditgesetz*) into the German Civil Code (*Bürgerliches Gesetzbuch*) apply to the Purchased Receivables. Consumers are defined as individuals acting for purposes relating neither to their commercial or independent professional activities. The majority of Loan Contracts will qualify as consumer loan contracts subject to the consumer loan provisions of the German Civil Code (*Bürgerliches Gesetzbuch*), in particular Sections 491 et seqq. Since the Purchased Receivables were originated subsequent to 10 June 2010, the amended provisions in the German Civil Code (*Bürgerliches Gesetzbuch*) on consumer loans (*Verbraucherdarlehensverträge*) and linked contracts (*Verbundene Verträge*) that have been enacted in order to transpose the EU Consumer Credit Directive 2008/48/EC into German law do apply.

Under those provisions, if the borrower is a consumer, he or she has the right to revoke its consent (*Widerrufsrecht*) to a consumer loan contract for a period of two weeks commencing with the receipt of a written notice providing certain information including on such revocation right. In the event that a consumer is not properly instructed of its revocation right or, in some cases, has not been provided with certain information about the lender and the contractual relationship created under the consumer loan or has in case of a consumer loan (*Verbraucherdarlehensvertrag*) not been provided with the mandatory information (*Pflichtangaben*) pursuant to Article 247 Section 6 of the Introduction Act to the German Civil Code (*Einführungsgesetz zum Bürgerlichen Gesetzbuch*), the consumer may revoke its consent at any time during the term of the consumer loan contract. German courts have adopted strict standards with regard to the information and the proper instruction to be provided to the consumer. Due to the strict standards applied by the courts, it cannot be excluded that a German court could consider the language and outline used in certain Loan Contract as falling short of such standards. Should a Debtor revoke the consent to the relevant Loan Contract, the Debtor would be obliged to repay the loan amount it had received in full plus interest at market rates; the Debtor in turn has a claim in amount of paid instalments plus interest hereon. Hence, the Issuer would receive interest under such Purchased Receivable for a shorter period of time than initially anticipated. If the market interest rate at the time when the Consumer Loan Agreement was entered into was lower than the interest rate agreed between the

Seller and the relevant Debtor, the Debtor might have a claim for compensation of the difference between the market interest rate and the agreed interest rate which it might set off against the repayment claim of the Issuer relating to the loan amount (see also "- Prepayment of Loans" below).

In case of a revocation, the Issuer's claims with regard to the prepayment of the Purchased Receivable would not be secured by Related Collateral granted therefore if the related security purpose agreement does not extend to such claims. If a Debtor is a consumer and a payment protection insurance (*Ratenschutzversicherung*) is financed by the Loan Contract, such Loan Contract and the payment protection insurance agreement may constitute linked contracts (*verbundene Verträge*) within the meaning of section 358 of the German Civil Code (*Bürgerliches Gesetzbuch*). As a result, if the Debtor has defences against the insurance company (or its insolvency estate in respect of a share in the relevant security fund of the insurance company) under the payment protection insurance agreement, the Debtor may deny the repayment of such part of the Loan Installments as relates to the financing of the insurance premium.

In addition, in case of Loan Contracts which are to be qualified as linked contracts (*verbundene Verträge*) with payment protection insurance agreements the instruction of revocation of the insurer need to be included information regarding the effect of the revocation of the payment protection insurance agreement on the linked Loan Contract. If a payment protection insurance agreement linked to a Loan Contract does not contain such extended information the payment protection insurance agreement may be revocable. As a consequence of a revocation of the payment protection insurance agreement, the relevant Loan Contract linked to such payment protection insurance agreement may be voided (*Wegfall der Bindung*).

However, if the relevant Loan Contract is revoked or voided due to a revocation of a linked payment protection insurance agreement, the Seller shall make a payment in form of a Deemed Collection in the amount of the Outstanding Principal Amount of such Loan Contract / Purchased Receivable. See "SCHEDULE 1 DEFINITIONS- Deemed Collections". As a consequence, the Issuer will, upon receipt of a Deemed Collection, pay such amounts to Noteholders on the next Payment Date in accordance with the Terms and Conditions of the Notes. See "TERMS AND CONDITIONS OF THE NOTES - Redemption - Amortisation".

Further, the Loan Contracts provide in the version used prior to January 1, 2013 for an obligation of the Debtor to pay a loan administration fee (*Bearbeitungsgebühr*) which is directly included in the Loan Contract. To date, German courts have rendered conflicting rulings and it is disputed among legal commentators whether the obligation of a borrower to pay a loan administration fee to the lender under the loan is void if the relevant loan agreement constitutes general business terms (*Allgemeine Geschäftsbedingungen*) used by the lender. While the German Federal Court of Justice (*Bundesgerichtshof*) has not yet ruled on the matter, there are several rulings of Higher Regional Courts (*Oberlandesgerichte*) which hold that the obligation to pay the loan administration fee is void because it constitutes an unreasonable disadvantage to the borrower. According to the conclusion of the courts, the loan administration fee is neither a compensation for the main service under a loan (i.e., making advances available to the borrower) nor for any other service by the lender to the borrower but constitutes an ancillary price element and, as part of the ancillary terms of the loan agreement, is subject to judicial review (and potentially invalidation) under statutory principles of good faith. It cannot be excluded that other courts and the German Federal Court of Justice (*Bundesgerichtshof*) may approve of that analysis in the future and find that the

Debtor's obligation to pay the loan administration fee under a Loan Contract is invalid which would require the Seller to repay the loan administration fee to the Debtor. As a result, the Debtor would be entitled to set off its claims towards the Seller for repayment of the loan administration fee against any payment claims of the Issuer under the relevant Purchased Receivable. Further, in 2013, the German Federal Consumer Protection Agency (*Verbraucherzentrale Bundesverband*) has filed an action for injunction (*Unterlassungsklage*) against the Seller with the Regional Court (*Landgericht*) of Düsseldorf with the request that the Seller may not rely on provisions that oblige debtors to pay a loan administration fee (*Bearbeitungsgebühr*) in the Loan Contracts. This case is pending and, as of the date hereof, it cannot be anticipated how the court will decide on this matter.

However, it is an eligibility criterion for all Purchased Receivables that they are valid and enforceable and not subject to any right of revocation (*Anfechtungsrecht*), set-off or counter-claim or warranty claims of the Debtors or any other right of objection as of the Note Issuance Date, see "DESCRIPTION OF THE PORTFOLIO - Eligibility Criteria". In the event that any Purchased Receivable does not meet the Eligibility Criteria, the Seller will be required to pay to the Issuer Deemed Collections in the amount of the Outstanding Principal Amount of such Purchased Receivable (or the affected portion thereof). See "SCHEDULE 1 DEFINITIONS – Deemed Collections" and "TERMS AND CONDITIONS OF THE NOTES - Redemption - Amortisation".

Prepayment of Loans

Under German law, a loan agreement which has been entered into for a fixed period of time and provides for a fixed interest rate may be terminated by the borrower and prepaid at any time.

The Loan Contracts provide for an obligation of the Debtor to pay a prepayment penalty (*Vorfälligkeitsentschädigung*) pursuant to Sec. 502 of the German Civil Code (*Bürgerliches Gesetzbuch*). In the event of a termination and prepayment of a loan, the Issuer would therefore only be entitled to claim compensation from the Debtor for the interest pursuant to Sec. 502 of the German Civil Code (*Bürgerliches Gesetzbuch*) which would have been payable by the Debtor on the prepaid amount had such amount been outstanding for the remainder of the term of the loan as provided for under Sec. 502 of the German Civil Code (*Bürgerliches Gesetzbuch*). Prepayments of loans would, *inter alia*, reduce the excess spread following such prepayments.

Change of Law

The structure of the Transaction Security Agreement, the Receivables Purchase Agreement and the other Transaction Documents governed by German law and the issue of the Notes as well as the ratings which are to be assigned to any Class of Notes are based on German law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible change of German law or administrative practice after the date of this Prospectus.

Overcollateralisation of Loans

According to German law, the granting of security for a loan may be held invalid and the security or part of the security may have to be released if the loan is overcollateralised. Overcollateralisation occurs where the creditor is granted collateral the value of which excessively exceeds the value of the secured obligations or if the granting of security leads to an inappropriate disadvantage for the debtor. Although there is no direct legal authority on point, the Issuer is of the view

that the Purchased Receivables are not overcollateralised; although it cannot be ruled out that a German court would hold otherwise. In the Receivables Purchase Agreement, the Seller has warranted to the Issuer that the Related Collateral to Purchased Receivables is legal, valid, binding and enforceable.

Reliance on Representations and Warranties

If the Portfolio does not correspond, in whole or in part, to the representations and warranties made by the Seller in the Receivables Purchase Agreement, the Issuer has certain rights of recourse against the Seller. These rights are not collateralised with respect to the Seller except that, in the case of a breach of certain representations and warranties, the Seller will be required to pay Deemed Collections to the Issuer (see items (ii) through (v) of the definition of Deemed Collections under "SCHEDULE 1 DEFINITIONS — Deemed Collections" and "TERMS AND CONDITIONS OF THE NOTES — Redemption — Amortisation") Consequently, a risk of loss exists in the event that such a representation or warranty is breached and the corresponding Deemed Collections are not paid. This could potentially cause the Issuer to default under the Notes.

Reliance on Administration and Collection Procedures

The Servicer will carry out the administration, collection and enforcement of the Purchased Receivables and the Related Collateral in accordance with the Servicing Agreement.

Accordingly, the Noteholders are relying on the business judgement and practices of the Servicer when enforcing claims against the Debtors, including taking decisions with respect to enforcement in respect of the Purchased Receivables and any Related Collateral. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement" and "Credit and Collection Policy".

Replacement of the Servicer

If the appointment of the Servicer is terminated, the Issuer with the assistance of the Corporate Administrator may appoint a substitute servicer pursuant to the Servicing Agreement. Any substitute servicer which may replace the Servicer in accordance with the terms of the Servicing Agreement would have to be able to administer the Purchased Receivables in accordance with the terms of the Servicing Agreement, be duly qualified and licensed to administer finance contracts in Germany such as the Loan Contracts, be a bank or credit institution established within the European Economic Area and supervised in accordance with the relevant EU directives, and may be subject to certain residence and/or regulatory requirements. Further, it should be noted that any substitute servicer (other than a (direct or indirect) subsidiary of the Seller or of a parent of the Seller intends to outsource the servicing and collection of its receivables and related collateral of the Seller is outsourced) may charge a servicing fee on a basis different from that of the Servicer. In addition, it should be noted that the Seller intends to outsource the servicing and collection of its receivables and related collateral to a subsidiary of the Seller or of a parent of the Seller, with the consequence that upon such outsourcing, the Servicer (which is currently the Seller) will be replaced by the new (direct or indirect) subsidiary of the Seller or of a parent of the Seller in its capacity as new Servicer. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS - Receivables Purchase Agreement" and "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS - Servicing Agreement".

No Independent Investigation and Limited Information

None of the Manager, the Arranger (if different), the Transaction Security Trustee nor the Issuer has undertaken or will undertake any investigations, searches or other actions to verify the details of the Purchased Receivables or to establish the creditworthiness of any Debtor or any other party to the Transaction Documents. Each such person will rely solely on the accuracy of the representations and warranties given by the Seller to the Issuer in the Receivables Purchase Agreement in respect of, *inter alia*, the Purchased Receivables, the Debtors and the Loan Contracts underlying the Purchased Receivables. The benefit of all such representations and warranties given to the Issuer will be transferred by the Issuer in favour of the Transaction Security Trustee under the Transaction Security Agreement.

The Seller is under no obligation to, and will not, provide the Manager, the Arranger (if different), the Transaction Security Trustee nor the Issuer with financial or other information specific to individual Debtors and certain underlying Loan Contracts to which the Purchased Receivables relate. The Manager/Arranger, the Transaction Security Trustee and the Issuer will only be supplied with general information in relation to the aggregate of the Debtors and the underlying Loan Contracts. Further, none of the Manager, Arranger (if different), the Transaction Security Trustee or the Issuer will have any right to inspect the internal records of the Seller.

The primary remedy of the Transaction Security Trustee and the Issuer for breaches of any warranty with respect to the enforceability of the Purchased Receivables, the absence of material litigation with respect to the Seller, the transfer of free title to the Issuer and the compliance of the Purchased Receivables with the Eligibility Criteria will be to require the Seller to pay Deemed Collections in an amount equal to the then Outstanding Principal Amount of such Purchased Receivables (or the affected portion thereof). With respect to breaches of warranties under the Receivables Purchase Agreement generally, the Seller is obliged to indemnify the Issuer against any liability, losses and damages directly resulting from such breaches.

Risk of Losses on the Purchased Receivables

The risk to the Class A Noteholders that they will not receive the maximum amount due to them under the Class A Notes as stated on the cover page of this Prospectus is mitigated by the subordination of the Class B Notes to the Class A Notes as well as the amounts credited to the Reserve Fund which will be available on any Payment Date to meet certain obligations of the Issuer including its obligations under the Class A Notes in accordance with the Pre-Enforcement Priority of Payments.

However, there is no assurance that the Class A Noteholders will receive for each Class A Note the total initial Note Principal Amount plus interest as stated in the Terms and Conditions nor that the distributions and amortisations which are made will correspond to the monthly payments originally agreed upon in the underlying Loan Contracts.

There is no assurance that the Class B Noteholders will receive for each Class B Note the total initial Note Principal Amount plus interest as stated in the Terms and Conditions nor that the distributions and amortisations which are made will correspond to the monthly payments originally agreed upon in the underlying Loan Contracts. The risk to the Class B Noteholders that they will not receive the maximum amount due to them under the Class B Notes as stated on the cover page of this Prospectus is mitigated by the Reserve Fund which will be available on any Payment Date to meet certain obligations of the Issuer including its obligations under the Class B Notes in accordance with the Pre-Enforcement Priority of Payments.

Limited Availability of the Reserve Fund in respect of Interest and Principal due on the Notes

Prior to the occurrence of an Issuer Event of Default in the event of shortfalls under the Purchased Receivables, amounts from the Reserve Fund may only be drawn to reduce shortfalls with respect to interest and principal due under the Notes in accordance with the Pre-Enforcement Priority of Payments.

Risk of Late Payment Due to Deferral of Purchased Receivables

Under the Servicing Agreement, the Servicer may, in specific circumstances, grant a deferral of the date on which certain payments are due under the Loan Contracts. This results in a risk of late payment of instalments pursuant to the Loan Contracts underlying the Purchased Receivables.

Risk of Late Forwarding of Payments received by the Servicer

No assurance can be given that the Servicer will promptly forward all amounts collected from Debtors pursuant to the relevant Loan Contracts to the Issuer in respect of a particular Collection Period in accordance with the Servicing Agreement. It should be noted that no cash reserve (other than the Commingling Reserve following the occurrence of a Commingling Reserve Trigger Event) will be established to avoid any resulting shortfall in the payments of principal and interest by the Issuer in respect of the Notes on the Payment Date immediately following such Collection Period. Consequently, any Collections that are forwarded late will only be paid to the Noteholders on the subsequent Payment Date. However, the Servicer has undertaken to transfer any Collections received during any Collection Period on the Payment Date immediately following such Collection Period to the Transaction Account. Pursuant to the Servicing Agreement, if the Servicer fails to make a payment due under the Servicing Agreement at the latest on the second Business Day after its due date, or, in the event no due date has been determined, within three Business Days after the demand for payment, the Issuer may terminate the appointment of the Servicer and appoint a substitute Servicer. Following the occurrence of a Commingling Reserve Trigger Event, the risk of any shortfall due to late forwarding of Collections received or payable by the Servicer is mitigated by the balance credited to the Commingling Reserve Account. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – Servicing Agreement – Termination of the Servicer".

Creditworthiness of Parties to the Transaction Documents, in particular the Servicer

The ability of the Issuer to meet its obligations under the Notes will be dependent on the performance of the duties by each party to the Transaction Documents.

No assurance can be given that the creditworthiness of the parties to the Transaction Documents, in particular the Servicer, will not deteriorate in the future. This may affect the performance of their respective obligations under the respective Transaction Documents. In particular, it may affect the administration, collection and enforcement of the Purchased Receivables by the Servicer.

Sharing with other creditors

The proceeds of enforcement and collection of the Collateral created by the Issuer in favour of the Transaction Security Trustee will be used in accordance with the Post-Enforcement Priority of Payments to satisfy claims of all Beneficiaries thereunder. See "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT — Post- Enforcement Priority of Payments".

The Issuer believes that the risks described above are the principal risks inherent in the transaction for the Noteholder, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the above statements regarding the risk of holding the Notes are exhaustive. Although the Issuer believes that the various structural elements described in this Prospectus lessen some of these risks for the Noteholders, there can be no assurance that these measures will be sufficient to ensure payment to Noteholders of interest, principal or any other amounts on or in connection with the Notes on a timely basis or at all.

RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

The Issuer assumes responsibility for the information contained in this Prospectus except that

- (i) the Seller only is responsible for the information under "OUTLINE OF THE TRANSACTION – The Portfolio" on page 50, "OUTLINE OF THE TRANSACTION – Servicing of the Portfolio" on page 50, "RISK FACTORS – Reliance on Administration and Collection Procedures" on page 31, "CREDIT STRUCTURE – Loan Interest Rates" on page 63, "CREDIT STRUCTURE – Cash Collection Arrangements" on page 63, "EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS" on page 145, "DESCRIPTION OF THE PORTFOLIO" on page 147 (except for the information under "DESCRIPTION OF THE PORTFOLIO – Eligibility Criteria"), "CREDIT AND COLLECTION POLICY" on page 180, and "THE SELLER" on page 187 et seq.;
- (ii) the Transaction Security Trustee only is responsible for the information under "THE TRANSACTION SECURITY TRUSTEE" on page 193 et seq.;
- (iii) the Account Bank only is responsible for the information under "THE ACCOUNT BANK" on page 191 et seq.;
- (iv) each of the Principal Paying Agent, Calculation Agent and Cash Manager only is responsible for the information under "THE PRINCIPAL PAYING AGENT, CALCULATION AGENT AND CASH MANAGER " on page 191;
- (v) each of the Data Trustee and Corporate Administrator only is responsible for information under "THE CORPORATE ADMINISTRATOR AND DATA TRUSTEE" on page 193; and

- (vi) each of the Luxembourg Listing Agent and Luxembourg Intermediary only is responsible for the information "THE LUXEMBOURG LISTING AGENT AND LUXEMBOURG INTERMEDIARY" on page 194; and

provided that, with respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted, the omission of which would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy thereof.

The Issuer hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Issuer is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Seller hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Seller is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Transaction Security Trustee hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Transaction Security Trustee is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Account Bank hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Account Bank is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of the Principal Paying Agent, the Calculation Agent and the Cash Manager hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which each of the Principal Paying Agent, the Calculation Agent and the Cash Manager is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of the Corporate Administrator and the Data Trustee hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which each of the Corporate Administrator and the Data Trustee is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of the Luxembourg Listing Agent and the Luxembourg Intermediary hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which each of the Luxembourg Listing Agent and the Luxembourg Intermediary is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representations, other than those contained in this Prospectus, in connection with the issue, offering, subscription or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the directors of the Issuer, the Transaction Security Trustee, the Manager or the Arranger (if different).

Neither the delivery of this Prospectus nor any offering, sale or delivery of any Notes shall, under any circumstances, create any implication (i) that the information in this Prospectus is correct as of any time subsequent to the date hereof, or, as the case may be, subsequent to the date on which this Prospectus has been most recently amended or supplemented, or (ii) that there has been no adverse change in the financial situation of the Issuer or the Seller since the date of this Prospectus or, as the case may be, the date on which this Prospectus has been most recently amended or supplemented, or the date of the most recent financial information which is contained in this Prospectus by reference, or (iii) that any other information supplied in connection with the issue of the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

*Prospective purchasers of Notes should conduct such independent investigation and analysis as they deem appropriate to evaluate the merits and risks of an investment in the Notes. **If you are in doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, legal adviser, accountant or other financial adviser.** Neither the Manager nor the Arranger (if different) make any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied by the Issuer in connection with the Notes and accept any responsibility or liability therefore. Neither the Manager nor the Arranger (if different) undertake to review the financial condition or affairs of the Issuer nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Manager or the Arranger (if different).*

NO ACTION HAS BEEN TAKEN BY THE ISSUER, THE MANAGER OR THE ARRANGER (IF DIFFERENT) OTHER THAN AS SET OUT IN THIS PROSPECTUS THAT WOULD PERMIT A PUBLIC OFFERING OF THE NOTES, OR POSSESSION OR DISTRIBUTION OF THIS PROSPECTUS OR ANY OTHER OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, THE NOTES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS PROSPECTUS (NOR ANY PART THEREOF) NOR ANY OTHER INFORMATION MEMORANDUM, PROSPECTUS, FORM OF APPLICATION, ADVERTISEMENT, OTHER OFFERING MATERIAL OR OTHER INFORMATION MAY BE ISSUED, DISTRIBUTED OR PUBLISHED IN ANY COUNTRY OR JURISDICTION EXCEPT IN COMPLIANCE WITH APPLICABLE LAWS, ORDERS, RULES AND REGULATIONS, AND THE ISSUER AND THE MANAGER HAVE REPRESENTED THAT ALL OFFERS AND SALES BY THEM HAVE BEEN AND WILL BE MADE ON SUCH TERMS.

This Prospectus may be distributed and its contents disclosed only to the prospective investors to whom it is provided. By accepting delivery of this Prospectus, the prospective investors agree to these restrictions.

The distribution of this Prospectus (or any part thereof) and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part hereof) comes are required by the Issuer and the Manager to inform themselves about and to observe any such restriction.

THE MANAGER HAS REPRESENTED, WARRANTED AND AGREED THAT IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA WHICH HAS IMPLEMENTED THE PROSPECTUS DIRECTIVE (EACH, A **RELEVANT MEMBER STATE**), THAT WITH EFFECT FROM AND INCLUDING THE DATE ON WHICH THE PROSPECTUS DIRECTIVE IS IMPLEMENTED IN THAT RELEVANT MEMBER STATE (THE **RELEVANT IMPLEMENTATION DATE**) IT HAS NOT MADE AND WILL NOT MAKE AN OFFER OF NOTES TO THE PUBLIC IN THAT RELEVANT MEMBER STATE OTHER THAN:

- (a) TO ANY LEGAL ENTITY WHICH IS A QUALIFIED INVESTOR AS DEFINED IN THE PROSPECTUS DIRECTIVE;
- (b) TO FEWER THAN 100 OR, IF THE RELEVANT MEMBER STATE HAS IMPLEMENTED THE RELEVANT PROVISION OF THE 2010 PD AMENDING DIRECTIVE, 150, NATURAL OR LEGAL PERSONS (OTHER THAN QUALIFIED INVESTORS AS DEFINED IN THE PROSPECTUS DIRECTIVE), AS PERMITTED UNDER THE PROSPECTUS DIRECTIVE, SUBJECT TO OBTAINING THE PRIOR CONSENT OF THE RELEVANT DEALER OR DEALERS NOMINATED BY THE ISSUER FOR ANY SUCH OFFER; OR
- (c) IN ANY OTHER CIRCUMSTANCES FALLING WITHIN ARTICLE 3(2) OF THE PROSPECTUS DIRECTIVE,

PROVIDED THAT NO SUCH OFFER OF NOTES SHALL REQUIRE THE ISSUER OR THE MANAGER TO PUBLISH A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE.

FOR THE PURPOSES OF THIS PROVISION, THE EXPRESSION **AN OFFER OF NOTES TO THE PUBLIC** IN RELATION TO THE NOTES IN ANY RELEVANT MEMBER STATE MEANS THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE NOTES TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE OR SUBSCRIBE THE NOTES, AS THE SAME MAY BE VARIED IN THAT MEMBER STATE BY ANY MEASURE IMPLEMENTING THE PROSPECTUS DIRECTIVE IN THAT MEMBER STATE, THE EXPRESSION **PROSPECTUS DIRECTIVE** MEANS DIRECTIVE 2003/71/EC (AND AMENDMENTS THERETO, INCLUDING THE 2010 PD AMENDING DIRECTIVE, TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE), AND INCLUDES ANY RELEVANT IMPLEMENTING MEASURE IN EACH RELEVANT MEMBER STATE AND THE EXPRESSION **2010 PD AMENDING DIRECTIVE** MEANS DIRECTIVE 2010/73/EU.

THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED ("**SECURITIES ACT**") AND, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF US PERSONS EXCEPT PURSUANT TO AN

EXEMPTION FROM; OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE MANAGER HAS REPRESENTED, WARRANTED AND AGREED THAT:

- (a) IT HAS NOT OFFERED AND SOLD THE NOTES, AND WILL OFFER AND SELL THE NOTES (A) AS PART OF THEIR DISTRIBUTION AT ANY TIME AND (B) OTHERWISE UNTIL THE EXPIRATION OF THE DISTRIBUTION COMPLIANCE PERIOD OF FORTY DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING AND THE CLOSING DATE ONLY IN ACCORDANCE WITH RULE 903 OF REGULATIONS UNDER THE SECURITIES ACT;
- (b) AT OR PRIOR TO CONFIRMATION OF SALE OF THE NOTES, IT WILL HAVE SENT TO EACH DISTRIBUTOR, DEALER OR PERSON RECEIVING A SELLING CONCESSION, FEE OR OTHER REMUNERATION THAT PURCHASES ANY NOTES FROM IT DURING THE DISTRIBUTION COMPLIANCE PERIOD A CONFIRMATION OR NOTICE TO SUBSTANTIALLY THE FOLLOWING EFFECT:

"THE SECURITIES COVERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**) AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, (A) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (B) OTHERWISE UNTIL FORTY DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING AND THE CLOSING DATE, EXCEPT IN EITHER CASE IN ACCORDANCE WITH REGULATIONS UNDER THE SECURITIES ACT. TERMS USED ABOVE HAVE THE MEANING GIVEN TO THEM BY REGULATIONS S."
- (c) IT, ITS AFFILIATES AND ANY PERSON ACTING ON ITS OR THEIR BEHALF HAVE COMPLIED AND WILL COMPLY WITH THE OFFERING RESTRICTIONS REQUIREMENTS OF REGULATIONS UNDER THE SECURITIES ACT;
- (d) NEITHER IT, ITS AFFILIATES NOR ANY PERSON ACTING ON ITS OR THEIR BEHALF HAVE ENGAGED OR WILL ENGAGE IN ANY DIRECTED SELLING EFFORTS WITHIN THE MEANING OF RULE 902 UNDER THE SECURITIES ACT WITH RESPECT TO THE NOTES;
- (e) NEITHER IT, ITS AFFILIATES NOR ANY PERSON ACTING ON ITS OR THEIR BEHALF, HAS SOLICITED OR WILL SOLICIT ANY OFFER TO BUY OR SELL THE NOTES BY ANY FORM OF GENERAL SOLICITATION OR GENERAL ADVERTISING, INCLUDING BUT NOT LIMITED TO THE METHODS DESCRIBED IN RULE 502(C) UNDER THE SECURITIES ACT IN CONNECTION WITH THE OFFER AND SALE OF THE NOTES IN THE UNITED STATES; AND
- (f) IT HAS NOT ENTERED AND WILL NOT ENTER INTO ANY CONTRACTUAL ARRANGEMENT WITH RESPECT TO THE DISTRIBUTION OR DELIVERY OF THE NOTES, EXCEPT WITH ITS AFFILIATES OR WITH THE PRIOR WRITTEN CONSENT OF THE ISSUER.

TERMS USED IN THE FOREGOING PARAGRAPH HAVE THE MEANING GIVEN TO THEM BY REGULATIONS S UNDER THE SECURITIES ACT.

FURTHER THE MANAGER HAS REPRESENTED, WARRANTED AND AGREED THAT:

- (a) EXCEPT TO THE EXTENT PERMITTED UNDER UNITED STATES TREASURY REGULATION §1.163-5(C)(2)(I)(D), AS AMENDED, OR SUBSTANTIALLY IDENTICAL SUCCESSOR PROVISIONS (THE **D RULES**):
 - (i) IT HAS NOT OFFERED OR SOLD, AND UNTIL THE EXPIRATION OF A RESTRICTED PERIOD BEGINNING ON THE EARLIER OF THE CLOSING DATE OR THE COMMENCEMENT OF THE OFFERING AND ENDING FORTY DAYS AFTER THE CLOSING DATE WILL NOT OFFER OR SELL, ANY NOTES TO A PERSON WHO IS WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO A UNITED STATES PERSON; AND
 - (ii) IT HAS NOT DELIVERED AND WILL NOT DELIVER IN DEFINITIVE FORM WITHIN THE UNITED STATES OR ITS POSSESSIONS ANY NOTES SOLD DURING THE RESTRICTED PERIOD;
- (b) IT HAS, AND THROUGHOUT THE RESTRICTED PERIOD WILL HAVE, IN EFFECT PROCEDURES REASONABLY DESIGNED TO ENSURE THAT ITS EMPLOYEES OR AGENTS WHO ARE DIRECTLY ENGAGED IN SELLING NOTES ARE AWARE THAT THE NOTES MAY NOT BE OFFERED OR SOLD DURING THE RESTRICTED PERIOD TO A PERSON WHO IS WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO A UNITED STATES PERSON, EXCEPT AS PERMITTED BY THE **D RULES**;
- (c) IF IT IS A UNITED STATES PERSON, IT IS ACQUIRING THE NOTES FOR THE PURPOSES OF RESALE IN CONNECTION WITH THEIR ORIGINAL ISSUANCE AND, IF IT RETAINS INITIAL NOTES FOR ITS OWN ACCOUNT, IT WILL ONLY DO SO IN ACCORDANCE WITH THE REQUIREMENTS OF UNITED STATES TREASURY REGULATION §1.163-5(C)(2)(I)(D)(6);
- (d) WITH RESPECT TO EACH AFFILIATE OF SUCH MANAGER THAT ACQUIRES ANY NOTES FROM SUCH MANAGER FOR THE PURPOSE OF OFFERING OR SELLING SUCH NOTES DURING THE RESTRICTED PERIOD, SUCH MANAGER REPEATS AND CONFIRMS FOR THE BENEFIT OF THE ISSUER THE REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS CONTAINED IN PARAGRAPHS (A), (B) AND (C) ABOVE ON SUCH AFFILIATE'S BEHALF; AND
- (d) THE MANAGER REPRESENTS AND AGREES THAT IT HAS NOT ENTERED AND WILL NOT ENTER INTO ANY CONTRACTUAL ARRANGEMENT WITH A DISTRIBUTOR (AS THAT TERM IS DEFINED FOR PURPOSES OF THE **D RULES**) WITH RESPECT TO THE DISTRIBUTION OF NOTES, EXCEPT WITH ITS AFFILIATES OR WITH THE PRIOR WRITTEN CONSENT OF THE ISSUER.

TERMS USED IN THE FOREGOING PARAGRAPH HAVE THE MEANINGS GIVEN TO THEM BY THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND REGULATIONS THEREUNDER, INCLUDING THE **D RULES**.

FURTHER THE MANAGER HAS REPRESENTED, WARRANTED AND AGREED THAT:

- (a) FINANCIAL PROMOTION: IT HAS ONLY COMMUNICATED OR CAUSED TO BE COMMUNICATED, AND WILL ONLY COMMUNICATE OR CAUSE TO BE COMMUNICATED, ANY INVITATION OR INDUCEMENT TO ENGAGE IN

INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FSMA)) RECEIVED BY IT IN CONNECTION WITH THE ISSUANCE OR SALE OF ANY NOTES IN CIRCUMSTANCES IN WHICH SECTION 21(1) OF THE FSMA DOES NOT APPLY TO THE ISSUER; AND

- (b) GENERAL COMPLIANCE: IT HAS COMPLIED AND WILL COMPLY WITH ALL APPLICABLE PROVISIONS OF THE FSMA WITH RESPECT TO ANYTHING DONE BY IT IN RELATION TO THE NOTES IN, FROM OR OTHERWISE INVOLVING THE UNITED KINGDOM.

IN THE FOREGOING PARAGRAPHS, "UNITED KINGDOM" SHALL MEAN THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND.

THE MANAGER HAS REPRESENTED, WARRANTED AND AGREED THAT IT HAS NOT OFFERED OR SOLD AND WILL NOT OFFER OR SELL, DIRECTLY OR INDIRECTLY, NOTES TO THE PUBLIC IN FRANCE WITHIN THE MEANING OF ARTICLE L.411-1 OF THE FRENCH MONETARY AND FINANCIAL CODE (*CODE MONÉTAIRE ET FINANCIER*), AND THAT, IT HAS NOT DISTRIBUTED AND WILL NOT DISTRIBUTE OR CAUSE TO BE DISTRIBUTED TO THE PUBLIC IN FRANCE, THE PROSPECTUS OR ANY OTHER OFFERING MATERIAL RELATING TO THE NOTES AND SUCH OFFERS, SALES AND DISTRIBUTIONS HAVE BEEN AND WILL BE MADE IN FRANCE ONLY TO (A) PROVIDERS OF INVESTMENT SERVICES RELATING TO PORTFOLIO MANAGEMENT FOR THE ACCOUNT OF THIRD PARTIES (*PERSONNES FOURNISSANT LE SERVICE D'INVESTISSEMENT DE GESTION DE PORTEFEUILLE POUR COMPTE DE TIERS*), AND/OR (B) QUALIFIED INVESTORS (*INVESTISSEURS QUALIFIÉS*) INVESTING FOR THEIR OWN ACCOUNT AND/OR (C) A RESTRICTED CIRCLE OF INVESTORS (*CERCLE RESTREINT D'INVESTISSEURS*) INVESTING FOR THEIR OWN ACCOUNT, AS DEFINED IN AND IN ACCORDANCE WITH ARTICLES L.411-1, L.411-2 AND D.411-1 TO D.411-4 OF THE FRENCH MONETARY AND FINANCIAL CODE (*CODE MONÉTAIRE ET FINANCIER*).

ALL APPLICABLE LAWS AND REGULATIONS MUST BE OBSERVED IN ANY JURISDICTION IN WHICH NOTES MAY BE OFFERED, SOLD OR DELIVERED. THE MANAGER HAS AGREED THAT IT WILL NOT OFFER, SELL OR DELIVER ANY OF THE NOTES, DIRECTLY OR INDIRECTLY, OR DISTRIBUTE THIS PROSPECTUS OR ANY OTHER OFFERING MATERIAL RELATING TO THE NOTES, IN OR FROM ANY JURISDICTION EXCEPT UNDER CIRCUMSTANCES THAT WILL TO THE BEST KNOWLEDGE AND BELIEF OF SUCH MANAGER RESULT IN COMPLIANCE WITH THE APPLICABLE LAWS AND REGULATIONS THEREOF AND THAT WILL NOT IMPOSE ANY OBLIGATIONS ON THE ISSUER EXCEPT AS SET OUT IN THE SUBSCRIPTION AGREEMENT.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates or an offer to sell or the solicitation of an offer to buy any of the securities offered hereby in any circumstances in which such offer or solicitation is unlawful. This Prospectus does not constitute, and may not be used for, or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not

authorised or to any person to whom it is unlawful to make such offer or solicitation. For a further description of certain restrictions on offerings and sales of the Notes and distribution of this PROSPECTUS, or an invitation by, or on behalf of, the Issuer or the Manager to subscribe for or to purchase any of the Notes (or of any part thereof), see "SUBSCRIPTION AND SALE".

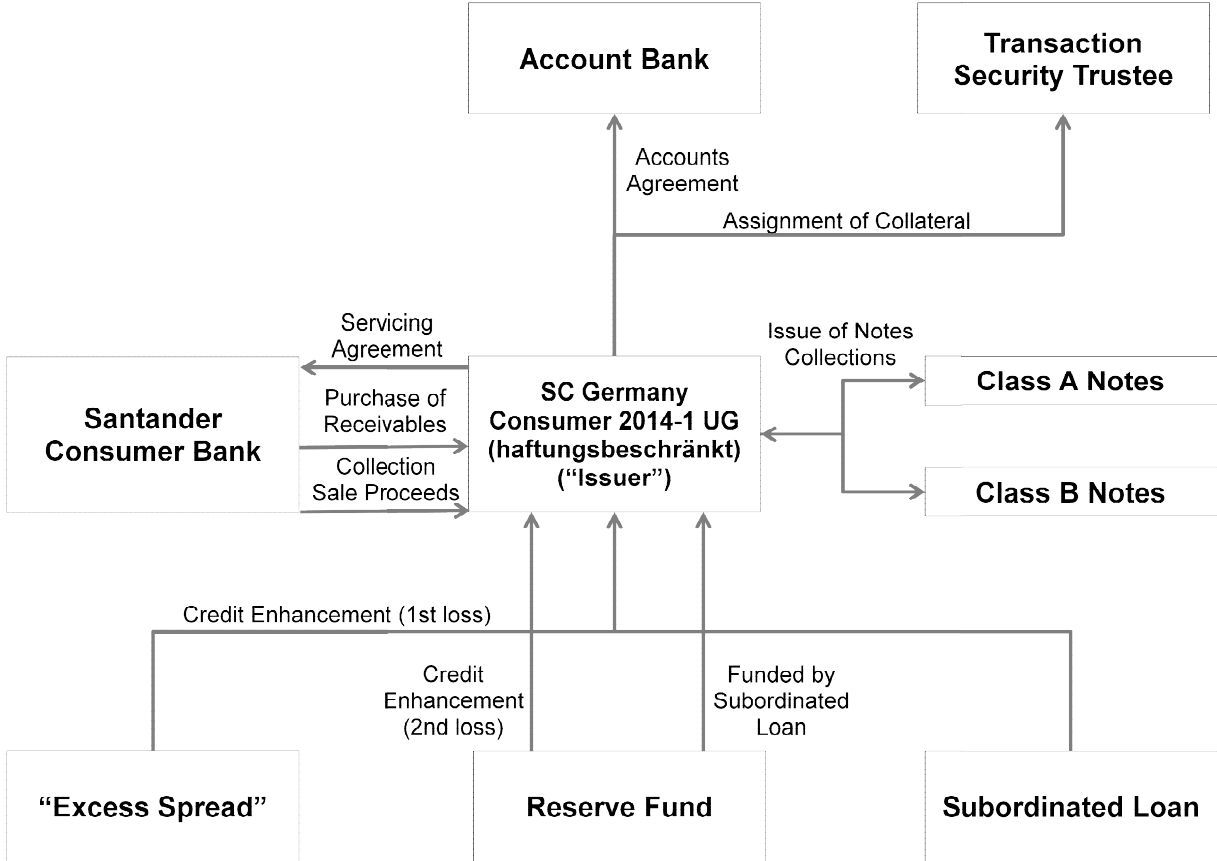
An investment in the Notes is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result from such investment.

It should be remembered that the price of securities and the income from them can go down as well as up.

TRANSACTION STRUCTURE

Diagrammatic overview

(As of the close of business on the Note Issuance Date) This diagrammatic overview of the transaction structure is qualified in its entirety by reference to the more detailed information appearing elsewhere in this Prospectus.



OUTLINE OF THE TRANSACTION

The following outline should be read in conjunction with, and is qualified in its entirety by, the detailed information appearing elsewhere in this Prospectus. In the event of any inconsistency between this overview and the information provided elsewhere in this Prospectus, the latter shall prevail.

THE PARTIES

Issuer

SC Germany Consumer 2014-1 UG (haftungsbeschränkt), a special purpose company incorporated with limited liability under the laws of the Federal Republic of Germany ("**Germany**") and which has its registered office at c/o SFM Structured Finance Management (Deutschland) GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany. See "THE ISSUER" (page 183 et seq.).

Corporate Administrator

SFM Structured Finance Management (Deutschland) GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Corporate Administration Agreement" (page 140 et seq.).

Seller

Santander Consumer Bank AG, Santander-Platz 1, 41061 Mönchengladbach, Germany. See "THE SELLER" (page 187 et seq.).

Servicer

The Loan Contracts will be serviced by the Seller (in this capacity, the "**Servicer**"). See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement" (page 133 et seq.).

Transaction Security Trustee

SFM Trustees Limited, 35 Great St. Helen's, London EC3A 6AP, United Kingdom. See "THE TRANSACTION SECURITY TRUSTEE" (page 193).

Data Trustee

SFM Structured Finance Management (Deutschland) GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Data Trust Agreement" (page 139).

Subordinated Loan Provider

Santander Consumer Bank AG, Santander-Platz 1, 41061 Mönchengladbach, Germany. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Subordinated Loan Agreement" (page 138).

Funding Loan Provider

Santander Consumer Finance, S.A., Ciudad Grupo Santander, Avenida de Cantabria s/n, Edificio Dehesa 2a Planta, 28660 Boadilla del Monte, Madrid, Spain. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Funding Loan Agreement" (page 139).

Account Bank

The Bank of New York Mellon, Frankfurt Branch, Messeturm, Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main, Germany (page 191).

Arranger and Manager

Raiffeisen Bank International AG, Am Stadtpark 9, 1030 Vienna, Austria. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Subscription Agreement" (page 140).

Principal Paying Agent, Calculation Agent and Cash Manager

The Bank of New York Mellon, London Branch, One Canada Square, London, E14 5 AL, United Kingdom. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Agency Agreement" (page 139) and "THE PRINCIPAL PAYING AGENT, CALCULATION AGENT AND CASH MANAGER "(page 191).

Luxembourg Listing Agent and Luxembourg Intermediary

The Bank of New York Mellon (Luxembourg) S.A., Vertigo Building-Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg. See "THE LUXEMBOURG LISTING AGENT AND LUXEMBOURG INTERMEDIARY" (page 194).

Rating Agencies

DBRS Ratings Limited and Standard & Poor's Credit Market Services Europe Limited.

THE NOTES

The Transaction

The Seller will sell and assign the Receivables to the Issuer on or before the Note Issuance Date pursuant to a receivables purchase agreement dated 18 March 2014 and entered into between the Issuer and the Seller ("**Receivables Purchase Agreement**"). During the Replenishment Period the Seller may, subject to certain requirements, at its option, sell and assign Additional Receivables to the Issuer pursuant to the Receivables Purchase Agreement. Some of the Receivables are secured by collateral (all collateral and the proceeds there from, the "**Related Collateral**"). The Seller will sell and assign and transfer such Related Collateral together with the Receivables pursuant to the Receivables Purchase Agreement, but will not give any guarantee regarding the existence or the recoverability of such Related Collateral. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Receivables Purchase Agreement" (page 128 et seq.).

Classes of Notes

The EUR 1,205,000,000 Class A Fixed Rate Notes due on the Payment Date falling in February 2028 ("**Class A Notes**") and the EUR 145,000,000 Class B Fixed Rate Notes due on the Payment Date falling in February 2028 ("**Class B Notes**") will be backed by the Portfolio. See "TERMS AND CONDITIONS OF THE NOTES" (page 68 et seq.).

Note Issuance Date

20 March 2014

Funding Loan

Santander Consumer Finance, S.A. ("**Funding Loan Provider**") will make available to the Issuer an interest-bearing amortising funding loan ("**Funding Loan**") which is not credit-linked to the Portfolio and which will, subject to certain conditions, be disbursed on the Note Issuance Date to provide the Issuer with the funds necessary to pay certain amounts payable on the Note Issuance Date under the Transaction Documents (including, without limitation, the fees, costs and expenses payable on the Note Issuance Date to the Manager and to other parties in connection with the offer and sale of the Notes) and certain other costs. The Seller will pay to the Issuer a fee ("**Transaction Cost Fee**") on each Payment Date in accordance with the Receivables Purchase Agreement. The Transaction Cost Fee will not form part of the Available Distribution Amount. The claims and rights under the Funding Loan will be limited to the amounts received by the Issuer from time to time in respect of the Transaction Cost Fee. The Funding Loan will be repaid in 18 (eighteen) instalments on each Payment Date following the Note Issuance Date. The Funding Loan will be subject to partial repayment, early repayment or optional repayment in specific circumstances and subject to certain conditions. All payment obligations of the Issuer under the Funding Loan constitute limited obligations payable solely out of the Transaction Cost Fee received by the Issuer under the Receivables Purchase Agreement. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Funding Loan Agreement" (page 139).

Form and Denomination

Each of the Class A Notes and the Class B Notes will initially be represented by a Temporary Global Note of the relevant class, without interest coupons attached. The Global Notes will be deposited with a common safekeeper for Clearstream Luxembourg and Euroclear. The Notes will be transferred in book-entry form only. The Notes will be issued in denominations of EUR 100,000. The Global Notes will not be exchangeable for definitive securities. See "TERMS AND CONDITIONS OF THE NOTES — Form and Denomination" (page 68 et seq.).

Status and Priority

The Notes constitute direct, secured and (subject to Condition 3.2 (*Limited Recourse*)) of the terms and conditions of the Notes ("**Terms and Conditions**") unconditional obligations of the Issuer. The Class A Notes rank *pari passu* among themselves in respect of security. Following the occurrence of an Issuer Event of Default (as defined in Condition 3.5 (*Issuer Event of Default*)), the Class A Notes rank against all other current and future obligations of the Issuer in accordance with the Post-Enforcement Priority of Payments. The Class B Notes rank *pari passu* among themselves in respect of security. Following the occurrence of an Issuer Event of Default, the Class B Notes rank against all other current and future obligations of the Issuer in accordance with the Post-Enforcement Priority of Payments, see "CREDIT STRUCTURE — Post-Enforcement Priority of Payments" and "TERMS AND CONDITIONS OF THE NOTES — Status and Priority". The Funding Loan constitutes direct, unsecured, unconditional and limited recourse obligations of the Issuer to the extent that the Issuer receives the Transaction Cost Fee under the Receivables Purchase Agreement.

Prior to the occurrence of an Issuer Event of Default, the Issuer's obligations to make payments of principal and interest on the Class A Notes and the Class B Notes rank in accordance with the Pre-Enforcement Priority of Payments.

The Issuer's obligations to make payments of principal and interest on the Class B Notes are subordinated to the Issuer's obligations to make payments of principal and interest on the Class A Notes in accordance with the Terms and Conditions of the Notes, see "CREDIT STRUCTURE — Pre-Enforcement Priority of Payments" and "TERMS AND CONDITIONS OF THE NOTES — Redemption — Pre-Enforcement Priority of Payments".

Limited Recourse

The Notes will be limited recourse obligations of the Issuer. See "TERMS AND CONDITIONS OF THE NOTES — Provision of Security; Limited Payment Obligation; Issuer Event of Default" and "RISK FACTORS — Liability under the Notes; Limited Recourse".

Replenishment

During the Replenishment Period, the Seller may, at its option, effect a replenishment of the Portfolio underlying the Notes by offering to sell additional Receivables to the Issuer pursuant to the Receivables Purchase Agreement. Pursuant to the Receivables Purchase Agreement and subject to certain requirements, the Issuer is obliged to purchase such additional Receivables from the Seller. See "TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption" and "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Receivables Purchase Agreement".

Replenishment Period

The Replenishment Period will start on the Note Issuance Date and will end on the Payment Date falling in the 36th month after the Note Issuance Date (inclusive) or, if earlier, on the date on which an Early Amortisation Event occurs (exclusive). See "TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption" and "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Receivables Purchase Agreement".

Early Amortisation Event

The occurrence of any of the following events during the Replenishment Period shall constitute an Early Amortisation Event:

- (a) the Cumulative Loss Ratio exceeds:
 - (i) 1.80% as of any Cut-Off Date prior to or on 31 March 2015;
 - (ii) 3.60% as of any Cut-Off Date prior to or on 31 March 2016; and
 - (iii) 5.20% as of any Cut-Off Date prior to or on 31 March 2017;
- (b) on three consecutive Cut-Off Dates, the amount standing to the credit of the Purchase Shortfall Account is higher than 15% of the initial aggregate Note Principal Amount of all Notes (such event a "**Purchase Shortfall Event**");
- (c) as of any Payment Date, the initial Note Principal Amount of all Notes would, after the application of the Available Distribution Amount in accordance with the Pre-Enforcement Priority of Payments, exceed the sum of (i) the Aggregate Outstanding Principal Amount of all Purchased Receivables as of such Payment Date (including the Principal Amount of the Additional Receivables to be purchased on such Payment Date) and (ii) the amount standing to the credit of the Purchase Shortfall Account as of such Payment Date;
- (d) a Termination Event or a Servicer Termination Event; or
- (e) the Seller has delivered a notice to the Issuer notifying the Issuer of its intention to end the Replenishment Period at least thirty (30) calendar days prior to the contemplated early amortisation date which shall be a Payment Date (such Payment Date or, if applicable the Payment Date notified in such notice, the "**Replenishment Termination Date**"), the "**Replenishment Termination Option**",

provided that in the case of (a) above with respect to any Cut-Off Date following the date as of which the Early Amortisation Event occurred, no Early Amortisation Event shall be deemed to have occurred if, by the Payment Date immediately following the date as of which the Early Amortisation Event occurred, the Rating Agencies have confirmed that the occurrence of the relevant Early Amortisation Event will not result in a downgrading, qualification or withdrawal of their rating assigned to any of the Class A Notes. See "TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption" and "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Receivables Purchase Agreement".

Interest

Each Class A Note entitles the holder thereof to receive from the Available Distribution Amount on each Payment Date interest at the rate of 2,301 per cent. per annum (the "**Class A Note Inter-**

est Rate") on the nominal amount of each Class A Note outstanding immediately prior to such Payment Date. Each Class B Note entitles the holder thereof to receive from the Available Distribution Amount on each Payment Date interest at the rate of 3,384 per cent. per annum (the "**Class B Note Interest Rate**") on the nominal amount of each Class B Note outstanding immediately prior to such Payment Date. See "TERMS AND CONDITIONS OF THE NOTES — Payments of Interest".

The Interest Period with respect to each Payment Date will be the period commencing on (and including) the Payment Date immediately preceding such Payment Date and ending on (but excluding) such Payment Date with the first Interest Period commencing on (and including) the Note Issuance Date and ending on (but excluding) the first Payment Date. See "TERMS AND CONDITIONS OF THE NOTES — Payments of Interest".

Payment Dates

During the Replenishment Period, payments of interest, and following the expiration of the Replenishment Period, payments of principal and interest will be made to the Noteholders on the eleventh day of any calendar month, unless such date is not a Business Day in which case the Payment Date shall be the next succeeding Business Day and the first Payment Date will be the Payment Date falling on 11 April 2014.

Legal Maturity Date

Unless previously redeemed as described herein, each Class of Notes will be redeemed on the Payment Date falling in February 2028, subject to the limitations set forth in Condition 3.2 (*Limited Recourse*) of the Terms and Conditions. The Issuer will be under no obligation to make any payment under the Notes after the Legal Maturity Date. See "TERMS AND CONDITIONS OF THE NOTES — Redemption — Legal Maturity Date".

Scheduled Maturity Date

The Payment Date falling in February 2025. See "TERMS AND CONDITIONS OF THE NOTES — Redemption — Scheduled Maturity Date".

Amortisation

The amortisation of the Notes will only commence after the expiration of the Replenishment Period. On each Payment Date following the expiration of the Replenishment Period, the Notes will be subject to redemption in accordance with the Pre-Enforcement Priority of Payments sequentially in the following order: first the Class A Notes until full redemption and thereafter the Class B Notes. See "TERMS AND CONDITIONS OF THE NOTES — Redemption — Amortisation".

Early Amortisation

The Notes will be subject to redemption in part prior to the expiration of the Replenishment Period if an Early Amortisation Event occurs. See " SCHEDULE 1 DEFINITIONS – Early Amortisation Event".

Clean-up Call

On any Payment Date on or following which all of the Class A Notes have been redeemed in full, the Seller will have, subject to certain requirements, the option under the Receivables Purchase

Agreement to repurchase all outstanding Purchased Receivables (together with any Related Collateral) held by the Issuer, and the Issuer shall, upon due exercise of such repurchase option, redeem all (but not some only) of the Notes on the Early Redemption Date, if the proceeds distributable as a result of such repurchase will be at least equal to the then outstanding aggregate Note Principal Amounts of all Notes plus accrued interest thereon together with all amounts ranking prior thereto according to the Pre-Enforcement Priority of Payments and Condition 7.1 (*Amortisation*) of the TERMS AND CONDITIONS. See "TERMS AND CONDITIONS OF THE NOTES — Redemption — Early Redemption".

Optional Redemption for Taxation Reasons

In the event that the Issuer is required by law to deduct or withhold certain taxes with respect to any payment under the Notes, the Notes may, at the option of the Issuer and subject to certain conditions, be redeemed in whole but not in part at their then outstanding aggregate Note Principal Amounts, together with accrued interest (if any) to the date (which must be a Payment Date) fixed for redemption. See "TERMS AND CONDITIONS OF THE NOTES — Redemption — Optimal Redemption for Taxation Reasons".

Taxation

All payments of principal of and interest on the Notes will be made free and clear of, and without any withholding or deduction for or on account of, tax (if any) applicable to the Notes under any applicable jurisdiction, unless such withholding or deduction is required by law. If any such withholding or deduction is imposed, the Issuer will not be obliged to pay any additional or further amounts as a result thereof. See "TAXATION".

Resolution of Noteholders

In accordance with the German Act on Debt Securities of 2009 (*Schuldverschreibungsgesetz*), the Notes contain provisions pursuant to which the Noteholders may agree by resolution to amend the Terms and Conditions and to decide upon certain other matters regarding the Notes including, without limitation, the appointment or removal of a common representative for the Noteholders of any Class. Resolutions of Noteholders of any Class properly adopted, by vote taken without a meeting in accordance with the Terms and Conditions, are binding upon all Noteholders of such Class. Resolutions which do not provide for identical conditions for all Noteholders of any Class are void, unless Noteholders of such Class which are disadvantaged expressly consent to their being treated disadvantageously. In no event, however, may any obligation to make any payment or render any other performance be imposed on any Noteholder of any Class by resolution. As set out in the Terms and Conditions, resolutions providing for certain material amendments to the Terms and Conditions require a majority of not less than 75 per cent of the votes cast. Resolutions regarding other amendments are passed a simple majority of the votes cast. See "TERMS AND CONDITIONS OF THE NOTES—Resolutions of the Noteholders".

Collateral

The obligations of the Issuer under the Notes will be secured by first ranking security interests granted to the Transaction Security Trustee for the benefit of the Noteholders and other Beneficiaries in respect of (i) the Issuer's claims under the Purchased Receivables and any Related Collateral acquired by the Issuer pursuant to the Receivables Purchase Agreement, (ii) the Issuer's

claims under certain Transaction Documents and (iii) the rights of the Issuer under the Accounts, all of which have been assigned and transferred by way of security or pledged to the Transaction Security Trustee pursuant to the Transaction Security Agreement (collectively, the "**Collateral**").

Upon the occurrence of an Issuer Event of Default, the Transaction Security Trustee will enforce or will arrange for the enforcement of the Collateral and any credit in the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account (excluding certain amounts stated in Clause 23.1 of the Transaction Security Agreement) and any proceeds obtained from the enforcement of the Collateral pursuant to the Transaction Security Agreement will be applied exclusively in accordance with the Post-Enforcement Priority of Payments. See "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT — Post-Enforcement Priority of Payments".

THE PORTFOLIO

Purchased Receivables

The Portfolio underlying the Notes consists of consumer loan receivables originated by the Seller in its ordinary course of business under German law which comply with the Eligibility Criteria (see "DESCRIPTION OF THE PORTFOLIO — ELIGIBILITY CRITERIA"). The Aggregate Outstanding Principal Amount as of the beginning of business (in Mönchengladbach) on 28 February 2014 was EUR 1,349,999,986.41. The Purchased Receivables constitute loan instalment claims arising under amortising general-purpose consumer loan agreements ("**Loan Contracts**") entered into between the Seller, as lender, and certain debtors ("**Debtors**"), as borrowers, for the purpose of consumption and financing the acquisition of, *inter alia*, consumer goods. The Purchased Receivables will be assigned and transferred to the Issuer on or before the Note Issuance Date and as of any Payment Date during the Replenishment Period pursuant to the Receivables Purchase Agreement. Some of the Purchased Receivables are secured by Related Collateral. The Seller will sell and assign such Related Collateral together with the Receivables pursuant to the Receivables Purchase Agreement, but will not give any guarantee regarding the existence or the recoverability of such Related Collateral. See "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT".

Servicing of the Portfolio

The Purchased Receivables and any Related Collateral will be administered, collected and enforced by the Seller in its capacity as Servicer under a servicing agreement ("**Servicing Agreement**") with the Issuer dated 18 March 2014, and upon termination of the appointment of the Servicer following the occurrence of a Servicer Termination Event, by a substitute servicer appointed by the Issuer. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement" AND "CREDIT AND COLLECTION POLICY".

Collections

Subject to the Pre-Enforcement Priority of Payments, the Collections received on the Portfolio will, during the Replenishment Period, be available for the payment of interest on the Notes and the replenishment of the Portfolio and, after the expiration of the Replenishment Period, for the payment of interest and principal on the Notes. The Collections will include, *inter alia*, all cash collections, interest, late payment or similar charges and other cash proceeds of such Purchased

Receivable or other amounts received or recovered in respect thereof, including, without limitation, all proceeds from insurance policies covering residual debt, all cash proceeds of any Related Collateral, any proceeds from the sale of Defaulted Receivables (together with the relevant Related Collateral) received by the Servicer on behalf of the Issuer from any third party and any participation in extraordinary profits (*Mehrerlösbeteiligungen*) after realisation of the Related Collateral to which the Issuer is entitled under the relevant Loan Contract, in each case which is irrevocable and final (*provided that* any direct debit (*Lastschriftinzug*) shall constitute a Collection irrespective of any subsequent valid return thereof (*Lastschriftückbelastung*)), and any Deemed Collections of such Purchased Receivable less any amount previously received but required to be repaid on account of a valid return of a direct debit (*Lastschriftückbelastung*), *provided that*, for the avoidance of doubt, any Collection which is less than the amount then outstanding and due from the relevant Debtor shall be applied in accordance with Sections 366 et seqq. of the German Civil Code (*Bürgerliches Gesetzbuch*). Pursuant to the Receivables Purchase Agreement, the Seller has undertaken to pay to the Issuer any Deemed Collection which is equal to the amount of the Outstanding Principal Amount (or the affected portion thereof) of any Purchased Receivable if such Purchased Receivable becomes a Disputed Receivable, such Purchased Receivable proves not to have been an Eligible Receivable on the Purchase Date, such Purchased Receivable is deferred, redeemed or modified other than in accordance with the Servicing Agreement or certain other events occur.

Defaulted Receivables

Any Purchased Receivable (which is not a Disputed Receivable) which has been declared due and payable in full (*insgesamt fällig gestellt*) in accordance with the Credit and Collection Policy of the Servicer ("**Defaulted Receivable(s)**").

Reserve Fund

The Notes will have the benefit of a reserve fund which will provide limited protection against shortfalls in the amounts required to pay interest and, to a certain extent, principal on the Notes ("**Reserve Fund**"). See "CREDIT STRUCTURE — Reserve Fund" and "RISK FACTORS — Limited Availability of the Reserve Fund". The Reserve Fund will be maintained as a ledger to the Transaction Account. Prior to the occurrence of an Issuer Event Of Default, to the extent the amounts standing to the credit of the Reserve Fund have been applied to meet the payment obligations of the Issuer in accordance with Condition 7.1 (*Amortisation*) of the Terms and Conditions and the Pre-Enforcement Priority of Payments, the Reserve Fund will be replenished on each Payment Date up to the Required Reserve Amount as determined as of the relevant Cut-Off Date immediately preceding such Payment Date by any excess funds of the Available Distribution Amount which are not used to meet the prior-ranking payment obligations of the Issuer (other than certain subordinated obligations) in accordance with the Pre-Enforcement Priority of Payments. See "TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption — Pre-Enforcement Priority of Payments" and "CREDIT STRUCTURE — Pre-Enforcement Priority of Payments".

To the extent that the Required Reserve Amount for the Notes is lower than the amount credited on the Reserve Fund at any time prior to the occurrence of an Issuer Event of Default, the difference between the Required Reserve Amount and the actual amount standing to the credit of the

Reserve Fund will be used to meet certain other payment obligations of the Issuer in accordance with the Pre-Enforcement Priority of Payments, including (without limitation) to repay the Subordinated Loan.

Required Reserve Amount

Pursuant to the Receivables Purchase Agreement and the Terms and Conditions of the Notes, the Required Reserve Amount will be (a) an amount equal to EUR 13,500,000, or (b) zero, if the Aggregate Outstanding Principal Amount is zero.

See "SCHEDULE 1 DEFINITIONS — Required Reserve Amount".

Commingling Reserve

Only following the occurrence of a Commingling Reserve Trigger Event, the Notes will have the benefit of a commingling reserve which will provide limited protection against the commingling risk in respect of the Seller acting as the Servicer. See "CREDIT STRUCTURE — Commingling Reserve". If, at any time as long as the Seller is the Servicer, a Commingling Reserve Trigger Event occurs, the Seller will be required, within thirty (30) Business Days, to transfer the Commingling Reserve Amount to an account of the Issuer held with the Account Bank (the "**Commingling Reserve Account**"). The amounts, if any, standing to the credit of the Commingling Reserve Account shall be included in the Available Distribution Amount and shall be applied on any Payment Date in accordance with the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Servicer under item *fifth* of the Pre-Enforcement Priority of Payments) if and to the extent that the Seller has, on such Payment Date, failed to transfer to the Issuer any Collections (other than Deemed Collections within the meaning of item (B) (i) of the definition of Deemed Collections) received or payable by the Seller during, or with respect to, the Collection Period ending on the Cut-Off Date immediately preceding such Payment Date or if the appointment of the Servicer under the Servicing Agreement has been automatically terminated pursuant to the last paragraph of Clause 9.1 of the Servicing Agreement. On any Payment Date following the occurrence of a Commingling Reserve Trigger Event, the Issuer shall pay to the Seller any Commingling Reserve Excess Amount. "**Commingling Reserve Excess Amount**" shall mean, as of any Payment Date, the excess of the amounts standing to the credit of the Commingling Reserve Account over the Commingling Reserve Amount, on the Cut-Off Date immediately preceding such Payment Date, after a drawing (if any) in accordance with item 7 of the definition of Available Distribution Amount.

A "**Commingling Reserve Trigger Event**" shall have occurred if, at any time, (i) Santander Consumer Finance, S.A. ceases to have the Commingling Required Rating or (ii) Santander Consumer Finance, S.A. ceases to own, directly or indirectly, at least 75 % of the share capital of the Seller, unless in each case (i) and (ii), the Seller has at least the Commingling Required Rating.

A "**Commingling Reserve Amount**" shall mean, (a) as of any Cut-Off Date following the occurrence of a Commingling Reserve Trigger Event, an amount equal to the sum of (i) the amount of the Scheduled Collections for the period from the beginning of the Collection Period immediately following the relevant Cut-Off Date to the last Business Day of the second Collection Period after the relevant Cut-Off Date (both inclusive) and (ii) 2% of the Aggregate Outstanding Note Principal Amount as of the relevant Cut-Off Date or (b) if as of any Cut-Off Date no Commingling Reserve Trigger Event has occurred, zero.

A "**Commingling Required Rating**" shall mean, with respect to any entity, that the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating

of at least BBB (or its replacement) by DBRS and BBB (or its replacement) by S&P and any such rating has not been withdrawn.

A "**Scheduled Collection**" shall mean, with respect to any Collection Period, the amount of Collections scheduled to be received by the Servicer with respect to such Collection Period as reported by the Servicer for such Collection Period.

Set-Off Reserve

Only following the occurrence of a Set-Off Reserve Trigger Event, the Notes will have the benefit of a set-off reserve which will provide limited protection against the set-off risk in respect of the Seller. See "CREDIT STRUCTURE — Set-Off Reserve". If a Set-Off Reserve Trigger Event occurs, the Seller will be required, within 5 (five) Business Days, to transfer the Set-Off Reserve Amount to an account of the Issuer held with the Account Bank (the "**Set-Off Reserve Account**"). The amounts, if any, standing to the credit of the Set-Off Reserve Account shall be included in the Available Distribution Amount and shall be applied on any Payment Date in accordance with the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Servicer under item *fifth* of the Pre-Enforcement Priority of Payments) if and to the extent that (i) any amounts that would otherwise have to be transferred to the Issuer as Deemed Collections within the meaning of item (B) (i) of the definition of Deemed Collections for the Collection Period ending on the relevant Cut-Off Date were not received by the Seller as a result of any of the actions described in item (B) (i) of the definition of Deemed Collections and (ii) the Issuer does not have a right of set-off against the Seller with respect to such amounts on the relevant Payment Date. On any Payment Date following the occurrence of a Set-Off Reserve Trigger Event, the Issuer shall pay to the Seller the Set-Off Reserve Excess Amount. "**Set-Off Reserve Excess Amount**" shall mean, as of any Payment Date, the excess of the amounts standing to the credit of the Set-Off Reserve Account over the Set-Off Reserve Amount on the Cut-Off Date immediately preceding such Payment Date, after a drawing (if any) in accordance with item 8 of the definition of Available Distribution Amount.

A "**Set-Off Reserve Trigger Event**" shall have occurred if, at any time, (i) Santander Consumer Finance, S.A. ceases to have the Set-Off Required Rating or (ii) Santander Consumer Finance, S.A. ceases to own, directly or indirectly, at least 75% of the share capital of the Seller, unless in each case (i) and (ii), the Seller has at least the Set-Off Required Rating.

A "**Set-Off Required Rating**" shall mean, with respect to any entity, that the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB (or its replacement) by S&P and BBB (or its replacement) by DBRS and any such rating has not been withdrawn.

"**Set-Off Reserve Amount**" shall mean:

(A) as of the Cut-Off Date immediately preceding the occurrence of a Set-Off Reserve Trigger Event and as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the sum of the Seller Deposits which are calculated with respect to each Debtor of Purchased Receivables outstanding as of the relevant date who, on the relevant Cut-Off Date, holds Seller Deposits, and are in each case equal to the lower of (i) the amount of Seller Deposits which, as of the relevant Cut-Off Date, are held with the Seller by such Debtor, and (ii) the Principal Amount of the Purchased Receivables owed by such Debtor outstanding as of the relevant Cut-Off Date; or

(B) if as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the Seller has at least the Set-Off Required Rating, zero.

Issuer's Sources of Income

The following amounts will be used by the Issuer to pay interest on and principal of the Notes and to pay any amounts due to the other creditors of the Issuer: (i) all payments of principal and interest and certain other payments and any Deemed Collections received under or with respect to the Purchased Receivables pursuant to the Receivables Purchase Agreement and/or the Servicing Agreement, (ii) all amounts of interest earned on the euro denominated interest-bearing transaction account of the Issuer (the "**Transaction Account**") (iii) all amounts standing to the credit of the Transaction Account which represent the credit standing to the Reserve Fund, (iv) all amounts standing to the credit of the Commingling Reserve Account (except interest earned on such amounts), (v) all amounts standing to the credit of the Set-Off Reserve Account (except interest earned on such amounts), (vi) all amounts standing to the credit of the Purchase Shortfall Account (including interest earned on such amounts), (vii) all amounts paid by any third party as purchase price for Defaulted Receivables, (viii) the Transaction Cost Fee and (ix) all other amounts which constitute the Available Distribution Amount and which have not been mentioned in (i) to (viii) above. The Issuer will use amounts received in respect of the Transaction Cost Fee under the Receivables Purchase Agreement exclusively to repay the Funding Loan Provider.

"**Available Distribution Amount**" shall mean, with respect to any Cut-Off Date and the Collection Period ending on such Cut-Off Date, an amount calculated by the Servicer pursuant to the Servicing Agreement as of such Cut-Off Date and notified to the Issuer, the Corporate Administrator, the Calculation Agent and the Transaction Security Trustee not later than on the fourth Business Day preceding the Payment Date following such Cut-Off Date (or, if the Servicer fails to calculate such amount, the amount calculated by the Calculation Agent with respect to such Cut-Off Date on the basis of the information available to the Calculation Agent at that time and notified to the Issuer, the Corporate Administrator, the Principal Paying Agent, the Calculation Agent and the Transaction Security Trustee not later than on the fourth Business Day preceding the Payment Date following such Cut-Off Date), as the sum of:

1. the amounts standing to the credit of the Reserve Fund as of such Cut-Off Date;
2. any Collections (including, for the avoidance of doubt, Deemed Collections paid by the Seller or (if different) the Servicer) received by the Seller or (if different) the Servicer during the Collection Period ending on such Cut-Off Date;
3. (i) (A) any stamp duty, registration and other similar taxes, (B) any taxes levied on the Issuer and any relevant parties involved in the financing of the Issuer due to the Issuer and such parties having entered into the Receivables Purchase Agreement, the other Transaction Documents or other agreements relating to the financing of the acquisition by the Issuer of the Purchased Receivables, (C) any liabilities, costs, claims and expenses which arise from the non-payment or the delayed payment of any taxes specified under (B) above, except for those penalties and interest charges which are attributable to the gross negligence of the Issuer, and (D) any additional amounts corresponding to sums which the Seller is required to deduct or withhold for or on account of tax with respect to all payments made by the Seller to the Issuer under the Receivables Purchase Agreement, in each case paid by the Seller pursuant to the Re-

ceivables Purchase Agreement, and (ii) any taxes, increased costs and other amounts paid by the Seller to the Issuer pursuant to the Receivables Purchase Agreement (other than any Transaction Cost Fee) and any taxes, increased costs and other amounts paid by the Servicer to the Issuer pursuant to the Servicing Agreement, in each case as collected during such Collection Period;

4. (i) (A) any default interest on unpaid sums due by the Seller to the Issuer and (B) indemnities against any loss or expense, including legal fees, incurred by the Issuer as a consequence of any default of the Seller, in each case paid by the Seller to the Issuer pursuant to the Receivables Purchase Agreement and (ii) any default interest and indemnities paid by the Servicer to the Issuer pursuant to the Servicing Agreement, in each case as collected during such Collection Period;
5. any other amounts paid by the Seller to the Issuer under or with respect to the Receivables Purchase Agreement (other than any Transaction Cost Fee) or the Purchased Receivables or any Related Collateral and any other amounts paid by the Servicer to the Issuer under or with respect to the Servicing Agreement, the Purchased Receivables or any Related Collateral, in each case as collected during such Collection Period;
6. any interest earned (if any) on any balance credit of the Transaction Account during such Collection Period;
7. the amounts (if any) standing to the credit to the Commingling Reserve Account (excluding, for the avoidance of doubt, any interest earned on any balance credited to the Commingling Reserve Account), but only to the extent necessary for the fulfilment on the relevant Payment Date of the payment obligations of the Issuer under items *first* to *fourteenth* (inclusive) of the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Servicer under item *fifth* of the Pre-Enforcement Priority of Payments), provided, however, that such amounts shall only be included in the Available Distribution Amount if and to the extent that the Seller or (if different) the Servicer have, as of the relevant Payment Date, failed to transfer to the Issuer any Collections (other than Deemed Collections within the meaning of item (B) (i) of the definition of Deemed Collections) received or payable by the Seller or (if different) the Servicer during, or with respect to, the Collection Period ending on the Cut-Off Date immediately preceding the relevant Payment Date or if the appointment of the Servicer under the Servicing Agreement has been automatically terminated pursuant to the last paragraph of Clause 9.1 of the Servicing Agreement;
8. the amounts (if any) standing to the credit of the Set-Off Reserve Account (excluding, for the avoidance of doubt, any interest earned on any balance credited to the Set-Off Reserve Account), but only to the extent necessary for the fulfilment on the relevant Payment Date of the payment obligations of the Issuer under items *first* to *fourteenth* (inclusive) of the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Servicer under item *fifth* of the Pre-Enforcement Priority of Payments), provided, however, that such amounts shall only be included in the Available Distribution Amount if and to the extent that (i) any amounts that would otherwise have to be transferred to the Issuer as Deemed Collections within the meaning of item (B) (i) of the definition of Deemed Collections for the Collection Period ending on the relevant Cut-Off Date were not received by the Seller as a re-

sult of any of the actions described in item (B) (i) of the definition of Deemed Collections, and (ii) the Issuer does not have a right of set-off against the Seller or (if different) the Servicer with respect to such amounts on the relevant Payment Date;

9. the amounts (if any) standing to the credit of the Purchase Shortfall Account (including any interest earned thereon);
10. the amounts (if any) standing to the credit of the Transaction Account which would have been distributed as Available Distribution Amount on any Payment Date prior to such Cut-Off Date, but were not distributed due to such Payment Date falling on a Servicer Disruption Date or the prior occurrence of a Termination Event; and
11. any amount (other than covered by (1) through (10) above) (if any) paid to the Issuer by any other party to any Transaction Document (other than the Funding Loan Agreement) within according to such Transaction Document is to be allocated to the Available Distribution Amount.

Pre-Enforcement Priority of Payments

On each Payment Date, prior to the occurrence of an Issuer Event of Default, the Available Distribution Amount as calculated of the Cut-Off Date immediately preceding such Payment Date shall be applied in accordance with the following order of priorities ("**Pre-Enforcement Priority of Payments**"):

first, to pay any obligation of the Issuer with respect to tax under any applicable law (if any);

second, to pay any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due and payable in the ordinary course of business), expenses and other amounts due and payable to the Transaction Security Trustee under the Transaction Documents;

third, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due to the Corporate Administrator under the Corporate Administration Agreement, the Data Trustee under the Data Trust Agreement, and the Account Bank under the Accounts Agreement, any amounts due and payable by the Issuer in connection with the establishment of the Issuer, and any other amounts due and payable or which are expected to fall due and payable by the Issuer in connection with the liquidation or dissolution (if applicable) of the Issuer or any other fees, costs and expenses, and a reserved profit of the Issuer of up to EUR 500 annually;

fourth, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due to the directors of the Issuer (properly incurred with respect to their duties), legal advisers or auditors of the Issuer, the Rating Agencies (including any ongoing monitoring fees), the Principal Paying Agent, the Calculation Agent and the Cash Manager under the Agency Agreement, the Manager under the Subscription Agreement (excluding any commissions and concessions which are payable to the Manager under the Subscription Agreement on the Note Issuance Date and which are to be paid by the Issuer by applying the funds disbursed to it under the Funding Loan), the relevant stock exchange on which the Notes may be listed, any listing agent, any intermediary between the Issuer, the Noteholders and the

relevant stock exchange, the Common Safekeeper or any other relevant party with respect to the issue of the Notes;

fifth, pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due to the Servicer under the Servicing Agreement or otherwise, and any such amounts due to any substitute servicer (including any expenses, costs and fees incurred in the course of replacement) for the Purchased Receivables and any Related Collateral which may be appointed from time to time in accordance with the Receivables Purchase Agreement or the Servicing Agreement and any such costs and expenses incurred by the Issuer itself in the event that the Issuer collects and/or services the Purchased Receivables or any Related Collateral;

sixth, to pay Class A Notes Interest due and payable on such Payment Date *pro rata* on each Class A Note;

seventh, if no Principal Deficiency Trigger Event has occurred, to pay Class B Notes Interest due and payable on such *pro rata* on each Class B Note;

eighth, during the Replenishment Period, to pay the purchase price payable in accordance with the Receivables Purchase Agreement for any Additional Receivables purchased on such Payment Date, but only up to the Replenishment Available Amount;

ninth, during the Replenishment Period, to credit the Purchase Shortfall Account with the Purchase Shortfall Amount occurring on such Payment Date;

tenth, during the Replenishment Period, to credit the Reserve Fund with effect as from such Payment Date up to the Required Reserve Amount;

eleventh, after the expiration of the Replenishment Period and unless the Payment Date falls on a Servicer Disruption Date, to credit to the Reserve Fund with effect as from such Payment Date up to the Required Reserve Amount;

twelfth, after the expiration of the Replenishment Period, to pay any Class A Notes Principal as of such Cut-Off Date, *pro rata* on each Class A Note, but only until the Class A Principal Amount following such payment is equal to the Class A Target Principal Amount;

thirteenth, upon the occurrence of a Principal Deficiency Trigger Event, to pay Class B Notes Interest due and payable on such Payment Date *pro rata* on each Class B Note;

fourteenth, after the expiration of the Replenishment Period and after the Class A Notes have been redeemed in full, to pay any Class B Notes Principal as of such Cut-Off Date, *pro rata* on each Class B Note, but only until the Class B Principal Amount following such payment is equal to the Class B Target Principal Amount;

fifteenth, unless the Payment Date falls on a Servicer Disruption Date, after a Commingling Reserve Trigger Event has occurred, to credit the Commingling Reserve Account with effect as from such Payment Date up to the amount of the Commingling Reserve Amount as of such Cut-Off Date;

sixteenth, unless the Payment Date falls on a Servicer Disruption Date, after a Set-Off Reserve Trigger Event has occurred, to credit to and fill the Set-Off Reserve Account with effect as from such Payment Date up to the amount of the Set-Off Reserve Amount as of the Cut-Off Date;

seventeenth, unless the Payment Date falls on a Servicer Disruption Date, to pay first, interest (including accrued interest) due and payable under the Subordinated Loan Agreement and thereafter, outstanding principal under the Subordinated Loan Agreement in the event of any reduction of the Required Reserve Amount from time to time (if any) in accordance with the provisions of the Receivables Purchase Agreement, in an amount (if any) which is equal to the difference between the amount of the Required Reserve Amount as of the Cut-Off Date immediately preceding such Cut-Off Date and the Required Reserve Amount as of such Cut-Off Date, but in no event more than the difference between the actual credit then standing to the Reserve Fund as of such Cut-Off Date and the Required Reserve Amount as of such Cut-Off Date (and if such difference is negative, it shall be deemed to be zero);

eighteenth, unless the Payment Date falls on a Servicer Disruption Date, to pay any amounts owed by the Issuer to the Seller under this Receivables Purchase Agreement in respect of (i) any valid return of a direct debit ("*Lastschriftückbelastung*") (to the extent such returns do not reduce the Collections for the Collection Period ending on such Cut-Off Date), (ii) any tax credit, relief, remission or repayment received by the Issuer on account of any tax or additional amount paid by the Seller or (iii) any Deemed Collection paid by the Seller for a Disputed Receivable which proves subsequently with *res judicata (rechtskräftig festgestellt)* to be an enforceable Purchased Receivable, or otherwise (including, for the avoidance of doubt, any claims of the Seller against the Issuer for breach of obligation) under the Receivables Purchase Agreement or other Transaction Documents; and

nineteenth, unless the Payment Date falls on a Servicer Disruption Date, to pay prior to the occurrence of a Termination Event, any remaining amount to the Seller in accordance with the Receivables Purchase Agreement,

provided that any payment to be made by the Issuer under items *first* to *fifth* (inclusive) with respect to taxes shall be made on the Business Day on which such payment is then due and payable using any amounts then credited to the Transaction Account and, if applicable, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account.

Issuer Event of Default

An "**Issuer Event of Default**" shall occur when:

1. the Issuer becomes insolvent or the Issuer is wound up or an order is made or an effective resolution is passed for the winding-up of the Issuer or the Issuer initiates or consents or otherwise becomes subject to liquidation, examinership, insolvency, reorganisation or similar proceedings under any applicable law, which affect or prejudice the performance of its obligations under the Notes or the other Transaction Documents, and are not, in the opinion of the Transaction Security Trustee, being disputed in good faith with a reasonable prospect of discontinuing or discharging the same, or such proceedings are not instituted for lack of assets;

2. the Issuer defaults in the payment of any interest or principal due and payable in respect of any Note or in the due payment or performance of any other Transaction Secured Obligation (as such term is defined in Clause 7 (*Security Purpose*) of the Transaction Security Agreement), other than those mentioned under items *fourteenth* to *sixteenth* of the Pre-Enforcement Priority of Payments, in each case, to the extent that the Available Distribution Amount as of the Cut-Off Date immediately preceding the relevant Payment Date would have been sufficient to pay such amounts, and such default continues for a period of at least five Business Days;
3. a distress, execution, attachment or other legal process is levied or enforced upon or sued out against all or any substantial part of the assets of the Issuer and is not discharged or does not otherwise cease to apply within 30 (thirty) calendar days of being levied, enforced or sued out or legal proceedings are commenced for any of the aforesaid, or the Issuer makes a conveyance or assignment for the benefit of its creditors generally; or
4. the Transaction Security Trustee ceases to have a valid and enforceable security interest in any of the Collateral or any other security interest created under any Transaction Security Document.

Post-Enforcement Priority of Payments

Upon the occurrence of an Issuer Event of Default, on any Payment Date any Credit (which excludes certain amounts stated in Clause 23.1 of the Transaction Security Agreement) shall be applied in the following order towards fulfilling the payment obligations of the Issuer, in each case only to the extent payments of a higher priority have been made in full:

first, to pay any obligation of the Issuer with respect to tax under any applicable law (if any);

second, to pay any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due to the Transaction Security Trustee under the Transaction Documents;

third, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due to the Corporate Administrator under the Corporate Administration Agreement, the Data Trustee under the Data Trust Agreement or the Account Bank under the Accounts Agreement, any amounts due and payable by the Issuer in connection with the establishment of the Issuer, and any other amounts due and payable or which are expected to fall due and payable by the Issuer in connection with the liquidation or dissolution (if applicable) of the Issuer or any other fees, costs and expenses, and a reserved profit of the Issuer of up to EUR 500 annually;

fourth, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due to the directors of the Issuer (properly incurred with respect to their duties), legal advisers or auditors of the Issuer, the Rating Agencies (including any ongoing monitoring fees), the Principal Paying Agent, the Calculation Agent and the Cash Manager under the Agency Agreement, the relevant stock exchange on which the Notes may be listed, any listing agent, any intermediary between the Issuer, the Noteholders and the relevant stock exchange, the Common Safekeeper or any other relevant party with respect to the issue of the Notes;

fifth, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due to the Servicer under the Servicing Agreement or otherwise, and any such amounts due to any substitute servicer (including any expenses, costs and fees incurred in the course of replacement) for the Purchased Receivables and the any Related Collateral which may be appointed from time to time in accordance with the Receivables Purchase Agreement or the Servicing Agreement and any such costs and expenses incurred by the Issuer itself in the event that the Issuer collects and/or services the Purchased Receivables or any Related Collateral;

sixth, to pay Class A Notes Interest due and payable on such Payment Date, *pro rata* on each Class A Note;

seventh, to pay any Class A Notes Principal as of such Payment Date, *pro rata* on each Class A Note;

eighth, after the Class A Notes have been redeemed in full, to pay Class B Notes Interest due and payable on such Payment Date, *pro rata* on each Class B Note;

ninth, to pay any Class B Notes Principal as of such Payment Date, *pro rata* on each Class B Note;

tenth, to pay interest (including accrued interest) due and payable under the Subordinated Loan Agreement;

eleventh, to pay any amounts owed by the Issuer to the Seller under the Receivables Purchase Agreement in respect of (i) any valid return of a direct debit (*Lastschriftückbelastung*) (to the extent such returns do not reduce the Collections for the Collection Period ending on the Cut-Off Date immediately preceding such Payment Date), (ii) any tax credit, relief, remission or repay-

ment received by the Issuer on account of any tax or additional amount paid by the Seller or (iii) any Deemed Collection paid by the Seller for a Disputed Receivable which proves subsequently with *res judicata* (*rechtskräftig festgestellt*) to be an enforceable Purchased Receivable, or otherwise (including, for the avoidance of doubt, any claims of the Seller against the Issuer for breach of obligation) under the Receivables Purchase Agreement or other Transaction Documents;

twelfth, to repay outstanding principal under the Subordinated Loan Agreement; and

thirteenth, to pay any remaining amount to the Seller,

provided that any payment to be made by the Issuer under items *first* to *fifth* (inclusive) with respect to taxes shall be made on the Business Day on which such payment is then due and payable using the Credit.

Ratings

The Class A Notes are expected on issue to be assigned a long-term rating of A(sf) by DBRS and a long-term rating of A(sf) by S&P.

No rating will be obtained for the Class B Notes.

Approval, Listing and Admission to trading

Application has been made to the Commission de Surveillance du Secteur Financier, as competent authority under the Prospectus Directive, for the prospectus to be approved for the purposes of the Prospectus Directive. Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange. The direct cost of the admission of the Notes to be admitted to trading in the regulated market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange amounts to approximately EUR 14,845.

Clearing

Euroclear of 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and Clearstream Luxembourg of 42 Avenue J.F. Kennedy, L-1855 Luxembourg (together, the "**Clearing Systems**", the "**International Central Securities Depositories**" or the "**ICSDs**").

Governing Law

The Notes will be governed by, and construed in accordance with, the laws of the Federal Republic of Germany.

Transaction Documents

The Receivables Purchase Agreement, the Servicing Agreement, the Transaction Security Agreement, the Master Definitions Agreement, the Subordinated Loan Agreement, the Corporate Administration Agreement, the Accounts Agreement, the Data Trust Agreement, the Funding Loan Agreement, the Notes, the Agency Agreement, the Subscription Agreement and any further agreement relating thereto or the transactions contemplated therein and any amendment agreement or termination agreement to those agreements. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS".

CREDIT STRUCTURE

Loan Interest Rates

The Receivables which will be purchased by the Issuer include annuity loans under which instalments are calculated on the basis of equal monthly periods during the life of each loan. Each instalment is comprised of a portion allocable to interest and a portion allocable to principal under such loan. In general, the interest portion of each instalment under annuity loans decreases in proportion to the principal portion over the life of such loan whereas towards maturity of such loan a greater part of each monthly instalment is allocated to principal.

Cash Collection Arrangements

Payments by the Debtors under the Purchased Receivables are due on a monthly basis, generally on the first or fifteenth calendar day, interest being payable in arrears. Prior to a Servicer Termination Event, all Collections will be paid by the Servicer to the Transaction Account maintained by the Issuer with the Account Bank on the Payment Date immediately following each Collection Period unless the Issuer applies part or all of the Collections and amounts standing to the credit of the Purchase Shortfall Account (if any) to the replenishment of the Portfolio (including by way of set-off, where relevant) in accordance with the Pre-Enforcement Priority of Payments and the other terms of the Receivables Purchase Agreement. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS" – "Servicing Agreement", "Receivables Purchase Agreement" and "The Accounts".

The Servicer will identify all amounts paid into either the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account or the Purchase Shortfall Account by crediting such amounts to the respective account and ledgers established for such purpose. A ledger will be maintained to record amounts held in the Transaction Account in respect of the balance of the Reserve Fund.

If at any time (i) the Account Bank Required Rating is not been met, or (ii) an Account Bank Downgrade occurs, the Issuer will be required, within thirty (30) calendar days after the Account Bank Downgrade, to transfer any amounts credited to any Account (including, for the avoidance of doubt, the Reserve Fund), at no cost to the Issuer, to an alternative bank with at least the Account Bank Required Rating.

Available Distribution Amount

The Available Distribution Amount (as defined above) will be calculated as at each Cut-Off Date with respect to the Collection Period ending on such Cut-Off Date for the purpose of determining, *inter alia*, the amount to be applied under the Pre-Enforcement Priority of Payments on the immediately following Payment Date. The Available Distribution Amount is defined in Appendix A to the Terms and Conditions. See "SCHEDULE 1 DEFINITIONS — Available Distribution Amount".

The amounts to be applied under the Pre-Enforcement Priority of Payments will vary during the life of the transaction as a result of possible variations in the amount of Collections and certain costs and expenses of the Issuer. The amount of Collections received by the Issuer under the Receivables Purchase Agreement will vary during the life of the Notes as a result of the level of delinquencies, defaults, repayments and prepayments in respect of the Purchased Receivables. The

effect of such variations could lead to drawings, and the replenishment of such drawings, under the Reserve Fund.

Pre-Enforcement Priority of Payments

The Available Distribution Amount will, pursuant to the Terms and Conditions and the Receivables Purchase Agreement, be applied as of each Payment Date in accordance with the Pre-Enforcement Priority of Payments. The Pre-Enforcement Priority of Payments is set out in Condition 7.7 (*Pre-Enforcement Priority of Payments*) of the Terms and Conditions. The amount of interest and principal payable under the Notes on each Payment Date will depend notably on the amount of Collections received by the Issuer during the Collection Period immediately preceding such Payment Date and certain costs and expenses of the Issuer. See "TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption — Pre-Enforcement Priority of Payments".

Payments to satisfy amounts due to third parties (other than pursuant to the Transaction Documents) and payable in connection with the Issuer's business may be made from the Transaction Account, and, if applicable, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account, other than on a Payment Date.

Residual Payment to the Seller

On each Payment Date prior to the occurrence of a Termination Event and the occurrence of an Issuer Event of Default, the difference (if any) between the Available Distribution Amount and the sum of all amounts payable or to be applied (as the case may be) by the Issuer under items *first to eighteenth* (inclusive) of the Pre-Enforcement Priority of Payments with respect to the Cut-Off Date immediately preceding such Payment Date shall be disbursed to the Seller as residual payment in accordance with and subject to the Pre-Enforcement Priority of Payments. Upon the occurrence of an Issuer Event of Default, the difference (if any) between the Credit and the sum of all amounts payable or to be applied (as the case may be) by the Issuer under items *first to sixteenth* (inclusive) of the Post-Enforcement Priority of Payments with respect to the Cut-Off Date immediately preceding any Payment Date shall be disbursed to the Seller as residual payment in accordance with and subject to the Post-Enforcement Priority of Payments.

Post-Enforcement Priority of Payments

Upon the occurrence of an Issuer Event of Default prior to the full discharge of all Transaction Secured Obligations, any amounts payable by the Issuer or, in the case of enforcement of the Collateral, by the Transaction Security Trustee will be paid in accordance with the Post-Enforcement Priority of Payments set out in Clause 23.2 (*Post-Enforcement Priority of Payments*) of the Transaction Security Agreement. See "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT — Post-Enforcement Priority of Payments".

Reserve Fund

As of the Note Issuance Date, advances in an aggregate amount of EUR 13,500,000 by the Subordinated Loan Provider under the Subordinated Loan have been credited to the Reserve Fund. Prior to the occurrence of an Issuer Event of Default, the amount credited to the Reserve Fund as of the Cut-Off Date immediately preceding any Payment Date will be available to meet items *first to tenth* (inclusive) of the Pre-Enforcement Priority of Payments.

If and to the extent that the Available Distribution Amount on any Payment Date exceeds the amounts required to meet the items ranking higher than item *eleventh* in the Pre-Enforcement Priority of Payments, the excess amount will be applied to credit, or if a drawing has been made, to replenish, the Reserve Fund until the balance standing to the credit of the Reserve Fund equals the Required Reserve Amount.

Pursuant to the Receivables Purchase Agreement and the Terms and Conditions, the Required Reserve Amount will be (a) an amount equal to EUR 13,500,000, or (b) zero, if the Aggregate Outstanding Principal Amount is zero.

After all amounts of interest and principal due in respect of the Notes have been paid, the Required Reserve Amount will be reduced to zero.

Commingling Reserve

If, at any time as long as the Seller is the Servicer, a Commingling Reserve Trigger Event occurs, the Seller will be required, within thirty (30) Business Days, to transfer the Commingling Reserve Amount to an account of the Issuer held with the Account Bank (the "**Commingling Reserve Account**"). A "**Commingling Reserve Trigger Event**" shall have occurred if, at any time, (i) Santander Consumer Finance, S.A. ceases to have the Commingling Required Rating or (ii) Santander Consumer Finance, S.A. ceases to own, directly or indirectly, at least 75 % of the share capital of the Seller, unless in each case (i) and (ii), the Seller has at least the Commingling Required Rating. "**Commingling Required Rating**" shall mean, with respect to any entity, that the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB (or its replacement) by DBRS and BBB (or its replacement) by S&P and any such rating has not been withdrawn. "**Commingling Reserve Amount**" shall mean, (a) as of any Cut-Off Date following the occurrence of a Commingling Reserve Trigger Event, an amount equal to the sum of (i) the amount of the Scheduled Collections for the period from the beginning of the Collection Period immediately following the relevant Cut-Off Date to the last Business Day of the second Collection Period after the relevant Cut-Off Date (both inclusive) and (ii) 2% of the Aggregate Outstanding Note Principal Amount as of the relevant Cut-Off Date or (b) if as of any Cut-Off Date no Commingling Reserve Trigger Event has occurred, zero. The amounts, if any, standing to the credit of the Commingling Reserve Account shall be included in the Available Distribution Amount and shall be applied on any Payment Date in accordance with the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Servicer under item *fifth* of the Pre-Enforcement Priority of Payments) if and to the extent that the Seller has, on such Payment Date, failed to transfer to the Issuer any Collections (other than Deemed Collections within the meaning of item (B)(i) of the definition of Deemed Collections) received or payable by the Seller during, or with respect to, the Collection Period ending on the Cut-Off Date immediately preceding such Payment Date. On any Payment Date following the occurrence of a Commingling Reserve Trigger Event, the Issuer shall pay to the Seller any Commingling Reserve Excess Amount. "**Commingling Reserve Excess Amount**" shall mean, as of any Payment Date, the excess of the amounts standing to the credit of the Commingling Reserve Account over the Commingling Reserve Amount, on the Cut-Off Date immediately preceding such Payment Date, after a drawing (if any) in accordance with item 7 of the definition of Available Distribution Amount.

Set-Off Reserve

If, at any time, a Set-Off Reserve Trigger Event occurs, the Seller will be required, within 5 (five) Business Days, to transfer the Set-Off Reserve Amount to an account of the Issuer held with the Account Bank (the "**Set-Off Reserve Account**"). A "**Set-Off Reserve Trigger Event**" shall have occurred if, at any time, (i) Santander Consumer Finance, S.A. ceases to have the Set-Off Required Rating or (ii) Santander Consumer Finance, S.A. ceases to own, directly or indirectly, at least 75% of the share capital of the Seller, unless in each case (i) and (ii), the Seller has at least the Set-Off Required Rating. "**Set-Off Required Rating**" shall mean, with respect to any entity, that the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB (or its replacement) by S&P and BBB (or its replacement) by DBRS and any such rating has not been withdrawn.

"**Set-Off Reserve Amount**" shall mean:

(A) as of the Cut-Off Date immediately preceding the occurrence of a Set-Off Reserve Trigger Event and as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the sum of the Seller Deposits which are calculated with respect to each Debtor of Purchased Receivables outstanding as of the relevant date who, on the relevant Cut-Off Date, holds Seller Deposits, and are in each case equal to the lower of (i) the amount of Seller Deposits which, as of the relevant Cut-Off Date, are held with the Seller by such Debtor, and (ii) the Principal Amount of the Purchased Receivables owed by such Debtor outstanding as of the relevant Cut-Off Date; or

(B) if as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the Seller has at least the Set-Off Required Rating, zero.

The amounts, if any, standing to the credit of the Set-Off Reserve Account shall be included in the Available Distribution Amount and shall be applied on any Payment Date in accordance with the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Servicer under item *fifth* of the Pre-Enforcement Priority of Payments) if and to the extent (i) any amounts that would otherwise have to be transferred to the Issuer as Deemed Collections within the meaning of item (B)(i) of the definition of Deemed Collections for the Collection Period ending on the relevant Cut-Off Date were not received by the Seller as a result of any of the actions described in item (B)(i) of the definition of Deemed Collections, and (ii) the Issuer does not have a right of set-off against the Seller with respect to such amounts on the relevant Payment Date. On any Payment Date following the occurrence of a Set-Off Reserve Trigger Event, the Issuer shall pay to the Seller the Set-Off Reserve Excess Amount. "**Set-Off Reserve Excess Amount**" shall mean, as of any Payment Date, the excess of the amounts standing to the credit of the Set-Off Reserve Account over the Set-Off Reserve Amount on the Cut-Off Date immediately preceding such Payment Date, after a drawing (if any) in accordance with item 8 of the definition of Available Distribution Amount.

Credit Enhancement

As, on the Note Issuance Date, the average interest rate under the Loan Contracts exceeds the average interest rate of the Notes, it is expected that the Available Distribution Amount will exceed the amounts required to meet the items ranking higher than Class A Notes Interest (item *sixth*) in the Pre-Enforcement Priority of Payments.

Prior to the occurrence of an Issuer Event of Default, the Class A Notes have the benefit of credit enhancement provided through the subordination of the Class B Notes and through the Reserve Fund, *provided that* (i) if no Principal Deficiency Trigger Event occurs as of any Payment Date, the payment of interest of the Class B Notes is subordinated to the payment of interest of the Class A Notes and the payment of principal of the Class B Notes is subordinated to the payment of principal of the Class A Notes, and (ii) if a Principal Deficiency Trigger Event occurs as of any Payment Date, the payment of interest and principal of the Class B Notes is subordinated to the payment of interest and principal of the Class A Notes. The Class B Notes have the benefit of credit enhancement provided through the Reserve Fund.

Following the occurrence of an Issuer Event of Default, the Class A Notes have the benefit of credit enhancement provided through the subordination, both as to payment of interest and principal and on enforcement of the Collateral, of the Class B Notes.

Subordinated Loan

The Subordinated Loan Provider has made available to the Issuer on or prior to the Purchase Date a subordinated loan facility ("**Subordinated Loan**") in the principal amount of EUR 13,500,000 which has been utilised for the purpose of establishing the Reserve Fund. The obligations of the Issuer under the Subordinated Loan are subordinated to the obligations of the Issuer under the Notes and, following an Issuer Event of Default, rank against the Notes and all other obligations of the Issuer in accordance with the Post-Enforcement Priority of Payments.

Prior to the occurrence of an Issuer Event of Default, interest under the Subordinated Loan will be payable by the Issuer monthly in arrear on each Payment Date, subject to and in accordance with the Pre-Enforcement Priority of Payments. The principal amount outstanding and unpaid on the Subordinated Loan will be repaid by the Issuer out of reductions in the amount of the Required Reserve Amount in accordance with the Pre-Enforcement Priority of Payments. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Subordinated Loan Agreement".

TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes are set out below. Appendix A to the Terms and Conditions is set out under "SCHEDULE 1 DEFINITIONS". Appendix B to the Terms and Conditions is set out under "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT". Appendix C to the Terms and Conditions is set out under "DESCRIPTION OF THE PORTFOLIO – Eligibility Criteria". Appendix D to the Terms and Conditions is set out under "CREDIT AND COLLECTION POLICY". Each of Appendix A, Appendix B, Appendix C and Appendix D forms an integral part of the Terms and Conditions.

1. FORM AND DENOMINATION

- (a) SC Germany Consumer 2014-1 UG (haftungsbeschränkt), incorporated with limited liability (*Unternehmergeellschaft (haftungsbeschränkt)*) in the Federal Republic of Germany ("**Germany**") registered with the commercial register of the local court (*Amtsgericht*) in Frankfurt am Main under the registration number HRB 98665 with its registered office at c/o SFM Structured Finance Management (Deutschland) GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany (the "**Issuer**") issues the following classes of fixed rate amortising asset-backed notes in bearer form (each, a "**Class**" and collectively, the "**Notes**") pursuant to these terms and conditions ("**Terms and Conditions**")
- (i) Class A Fixed Rate Notes due on the Payment Date falling in February 2028 ("**Class A Notes**") which are issued in an initial aggregate principal amount of EUR 1,205,000,000 and divided into 12,050 Notes each having a principal amount of and minimum denomination of EUR 100,000.
- (ii) Class B Fixed Rate Notes due on the Payment Date falling in February 2028 ("**Class B Notes**") which are issued in the aggregate principal amount of EUR 145,000,000 and divided into 1,450 Notes each having a principal amount of and minimum denomination of EUR 100,000.

The Notes will be issued on or about 20 March 2014 ("**Note Issuance Date**"). All Notes shall be issued in new global note form. The holders of the Notes are referred to as the "**Noteholders**".

- (b) Each Class of Notes shall be initially represented by a temporary global bearer note ("**Temporary Global Note**") without interest coupons. The Temporary Global Notes shall be exchangeable, as provided in paragraph (c) below, for permanent global bearer notes which are recorded in the records of the ICSDs (the "**Permanent Global Note**") without interest coupons representing each such Class. Definitive Notes and interest coupons shall not be issued. Each Permanent Global Note and each Temporary Global Note is also referred to herein as a "**Global Note**" and, together, as "**Global Notes**". Each Global Note representing the Class A Notes shall be deposited with an entity appointed as common safekeeper (the "**Class A Notes Common Safekeeper**") by the ICSDs. Each Global Note representing the Class B Notes shall be deposited with an entity appointed as common safekeeper (the "**Class B Notes Common Safekeeper**" and together with the Class A Notes Common Safekeeper, the "**Common Safekeepers**") by the ICSDs.

- (c) The Temporary Global Notes shall be exchanged for the Permanent Global Notes recorded in the records of the ICSD on a date ("**Exchange Date**") not earlier than 40 (forty) calendar days and not later than 180 calendar days after the date of issue of the Temporary Global Notes upon delivery by the relevant participants to the ICSDs, as relevant, and by the ICSDs to the Principal Paying Agent, of certificates in the form which forms part of the Temporary Global Notes and are available from the Principal Paying Agent for such purpose, to the effect that the beneficial owner or owners of the Notes represented by the relevant Temporary Global Note is not a U.S. Person or are not U.S. Persons other than certain financial institutions or certain persons holding through such financial institutions. Each Permanent Global Note delivered in exchange for the relevant Temporary Global Note shall be delivered only outside of the United States.

"**United States**" shall mean, for the purposes of this Condition 1(c), the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands). Any exchange of a Temporary Global Note pursuant to this Condition 1(c) shall be made free of charge to the Noteholders. Upon an exchange of a portion only of the Notes represented by the Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered *pro rata* in the records of the ICSDs.

- (d) Payments of interest or principal on the Notes represented by a Temporary Global Note shall be made only after delivery by the relevant participants to the ICSDs, as relevant, and by an ICSD to the Principal Paying Agent of the certifications described in paragraph (c) above.
- (e) Each Global Note shall be manually signed by or on behalf of the Issuer and shall be authenticated by the Principal Paying Agent and, in respect of each Global Note representing the Class A Notes, effectuated by the Class A Notes Common Safekeeper on behalf of the Issuer and, in respect of each Global Note representing the Class B Notes, effectuated by the Class B Notes Common Safekeeper on behalf of the Issuer.
- (f) The aggregate nominal amount of the Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. Absent errors, the records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the aggregate nominal amount of Notes represented by the Global Note and, for these purposes, a statement issued by an ICSD stating the aggregate nominal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Note the Issuer shall procure that details of any redemption, payment or purchase and cancellation (as the case may be) in respect of the Global Note shall be entered *pro rata* in the records of the ICSDs and, upon any such entry being made, the aggregate nominal amount of the Notes recorded in the records of the ICSDs and represented by the Global Note shall be reduced

by the aggregate nominal amount of the Notes so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid.

- (g) The provisions set out in Schedule 7 of the agency agreement (the "**Agency Agreement**") between the Issuer, The Bank of New York Mellon, London Branch as principal paying agent (or any successor or substitute appointed with such capacity, the "**Principal Paying Agent**"), as calculation agent (or any successor or substitute appointed with such capacity, the "**Calculation Agent**") and as cash administrator (the "**Cash Administrator**") dated on or about 18 March 2014 which contain primarily the procedural provisions regarding resolutions of Noteholders shall hereby be fully incorporated into these Terms and Conditions. The Issuer shall specify, by means of a notification in accordance with Condition 13 (*Form of Notices*), at any time, but no later than upon publication of a convening notice for a Noteholders' meeting, a website for the purpose of publications under such procedural provisions. Such notification shall hereby be fully incorporated into these Terms and Conditions upon publication or delivery thereof in accordance with Condition 13 (*Form of Notices*).
- (h) Copies of the Global Notes are available free of charge at the main offices of the Issuer and of the Principal Paying Agent (as defined in Condition 9(a) (*Agents; Determinations Binding*)).
- (i) Certain terms not defined but used herein shall have the same meanings herein as in the Definitions Schedule attached as, Appendix A, Appendix C or Appendix D to these Terms and Conditions ("**Appendix A**", "**Appendix C**" and "**Appendix D**", respectively) each of which constitutes an integral part of these Terms and Conditions.
- (j) The Notes are subject to the provisions of a Transaction Security Agreement (the "**Transaction Security Agreement**") between the Issuer, the Principal Paying Agent, the Calculation Agent, the Cash Manager, the Manager, the Data Trustee, the Account Bank, the Seller, the Servicer, the Subordinated Loan Provider and the Transaction Security Trustee dated 18 March 2014. The main provisions of the Transaction Security Agreement are set out in Appendix B to these Terms and Conditions ("**Appendix B**") which constitutes an integral part of these Terms and Conditions. Terms defined in the Transaction Security Agreement shall have the same meanings herein.

2. **STATUS AND PRIORITY**

- (a) The Notes constitute direct, secured and (subject to Condition 3.2 (*Limited Recourse*)) unconditional obligations of the Issuer.
- (b) The obligations of the Issuer under the Class A Notes rank *pari passu* amongst themselves without any preference among themselves in respect of security. Following an Issuer Event of Default, the obligations of the Issuer under the Class A Notes rank against all other current and future obligations of the Issuer in accordance with the post enforcement priority of payments ("**Post-Enforcement Priority of Payments**") set out in Clause 23.2 (*Post-Enforcement Priority of Payments*) of the Transaction Security Agreement (see Appendix B). The obligations of the Issuer under the Class B Notes rank *pari passu* amongst themselves in respect of security. Following an Issuer Event of Default the obligations of

the Issuer under the Class B Notes rank against all other current and future obligations of the Issuer in accordance with the Post-Enforcement Priority of Payments.

3. **PROVISION OF SECURITY; LIMITED PAYMENT OBLIGATION; ISSUER EVENT OF DEFAULT**

3.1 **Security**

Pursuant to the Transaction Security Agreement, the Issuer has transferred or pledged to the Transaction Security Trustee its rights and claims in all Purchased Receivables and the Related Collateral transferred by the Seller to it under the Receivables Purchase Agreement, all of its rights and claims arising under certain Transaction Documents to which the Issuer is a party and certain other rights specified in the Transaction Security Agreement (such collateral as defined in Clause 7 (*Security Purpose*) of the Transaction Security Agreement, the "**Collateral**") as security for the Notes and other obligations specified in the Transaction Security Agreement. As to the form and contents of such provision of security, reference is made to Clauses 5 (*Transfer of Security Purposes of the Assigned Security*) and 6 (*Pledge*) and the other provisions of the Transaction Security Agreement (see Appendix B).

3.2 **Limited Recourse**

- (a) All payment obligations of the Issuer under the Notes constitute exclusive obligations to pay out the Credit (as defined in Clause 23.1 (*Post-Enforcement Priority of Payments*) of the Transaction Security Agreement) in accordance with the Post-Enforcement Priority of Payments. Such funds shall be generated by, and limited to (i) payments made to the Issuer by the Servicer under the Servicing Agreement, (ii) payments made to the Issuer under the other Transaction Documents (other than the Funding Loan Agreement and the Transaction Cost Fee), (iii) proceeds from the realisation of the Collateral and (iv) interest earned on the balance credited to the Transaction Account and, if applicable, the Purchase Shortfall Account, as available on the relevant Payment Date (Condition 5.1 (*Payment Dates*)) according to the Post-Enforcement Priority of Payments (Clause 23.2 (*Post-Enforcement Priority of Payments*) of the Transaction Security Agreement) *provided that*, prior to the occurrence of an Issuer Event of Default, the Available Distribution Amount shall be applied in accordance with the Pre-Enforcement Priority of Payments (Condition 7.7 (*Pre-Enforcement Priority of Payments*)). The Notes shall not give rise to any payment obligation in excess of the Credit and recourse shall be limited accordingly.
- (b) The Issuer shall hold all monies paid to it in the Transaction Account, except the Commingling Reserve Amount which the Issuer shall hold in the Commingling Reserve Account, the Set-Off Reserve Amount which the Issuer shall hold in the Set-Off Reserve Account and the Purchase Shortfall Amount which the Issuer shall hold in the Purchase Shortfall Account. Furthermore, the Issuer shall exercise all of its rights under the Transaction Documents with the due care of a prudent businessman such that obligations under the Notes may be performed to the fullest extent possible.

- (c) Without prejudice to the Collateral and the enforcement and application of the proceeds thereof by the Transaction Security Trustee in accordance with the Transaction Security Agreement, under the condition precedent (*aufschiebende Bedingung*) that the Issuer would, at any time, after taking into account all claims of the creditors of the Issuer (including the claims of the Noteholders and the Subordinated Lender), be overindebted (*überschuldet*) within the meaning of section 19 of the German Insolvency Code (*Insolvenzordnung*), to the extent that, and only as long as, it is necessary to avoid such over-indebtedness of the Issuer, the obligations of the Issuer in respect of (in the following order): first, the Subordinated Loan and second, the Notes shall be regarded as junior obligations for the purpose of the German Insolvency Code (*Insolvenzordnung*) but shall not be construed as a waiver (*Erläss, Verzicht*) by the Noteholders and the Subordinated Lender or converted into equity of the Issuer and such junior obligations shall be treated as if they constitute statutory capital of the Issuer (*qualifizierter Rangrücktritt* within the meaning of section 199 sentence 2 of the German Insolvency Code (*Insolvenzordnung*)). Notwithstanding the foregoing subordination, the Issuer shall satisfy such junior obligations by payment to the Transaction Security Trustee for application in accordance with the provisions of the Subordinated Loan Agreement and this Terms and Conditions of the Notes out of future profit (*Gewinn*), liquidation surplus (*Liquidationsüberschuss*) and/or other free assets (*freies Vermögen*) as soon as, and to the extent that, the Issuer can do so without becoming over-indebted and/or illiquid. If no such assets are available for payment of such junior obligations of the Issuer, the Noteholders and the Subordinated Lender shall suffer a shortfall. The obligations of the Issuer in respect of the Notes and the Subordinated Loan shall extinguish immediately prior to the registration of the liquidation of the Issuer at the commercial register (*Anmeldung zum Schluß der Liquidation zum Handelsregister*).

3.3 **Enforcement of Payment Obligations**

The enforcement of the payment obligations under the Notes shall only be effected by the Transaction Security Trustee for the benefit of all Noteholders, *provided that* each Noteholder shall be entitled to proceed directly against the Issuer in the event that the Transaction Security Trustee, after having become obliged to enforce the Collateral and having been given notice thereof, fails to do so within a reasonable time period and such failure continues. The Transaction Security Trustee shall foreclose on the Collateral upon the occurrence of an Issuer Event of Default on the conditions and in accordance with the terms of the Transaction Security Agreement including, in particular, Clauses 19 (*Enforcement of Collateral*) and 20 (*Payments upon Occurrence of an Issuer Event of Default*) of the Transaction Security Agreement (see Appendix B).

3.4 **Obligations of the Issuer only**

The Notes represent obligations of the Issuer only and do not represent an interest in or obligation of the Transaction Security Trustee, any other party to the Transaction Documents or any other third party.

3.5 **Issuer Event of Default**

An "**Issuer Event of Default**" shall occur when:

- (i) the Issuer becomes insolvent or the Issuer is wound up (except for a voluntary winding-up by its shareholders) or an order is made or an effective resolution is passed for the winding-up of the Issuer or the Issuer initiates or consents or otherwise becomes subject to liquidation, examinership, insolvency, reorganisation or similar proceedings under any applicable law, which affect or prejudice the performance of its obligations under the Notes or the other Transaction Documents, and are not, in the opinion of the Transaction Security Trustee, being disputed in good faith with a reasonable prospect of discontinuing or discharging the same, or such proceedings are not instituted for lack of assets;
- (ii) the Issuer defaults in the payment of any interest or principal due and payable in respect of any Note or in the due payment or performance of any other Transaction Secured Obligation (as such term is defined in Clause 7 (*Security Purpose*) of the Transaction Security Agreement), other than those mentioned under items *fourteenth* to *sixteenth* of the Pre-Enforcement Priority of Payments, in each case, to the extent that the Available Distribution Amount as of the Cut-Off Date immediately preceding the relevant Payment Date would have been sufficient to pay such amounts, and such default continues for a period of at least five Business Days;
- (iii) a distress, execution, attachment or other legal process is levied or enforced upon or sued out against all or any substantial part of the assets of the Issuer and is not discharged or does not otherwise cease to apply within 30 (thirty) calendar days of being levied, enforced or sued out or legal proceedings are commenced for any of the aforesaid, or the Issuer makes a conveyance or assignment for the benefit of its creditors generally; or
- (iv) the Transaction Security Trustee ceases to have a valid and enforceable security interest in any of the Collateral or any other security interest created under any Transaction Security Document.

4. **GENERAL COVENANTS OF THE ISSUER**

4.1 **Restrictions on Activities**

As long as any Notes are outstanding, the Issuer shall not be entitled, without the prior consent of the Transaction Security Trustee (such consent shall not be given unless each Rating Agency has been notified in writing of such action) or unless required by applicable law, to engage in or undertake any of the activities or transactions specified in Clause 39 (*Actions of the Issuer requiring Consent*) of the Transaction Security Agreement (see Appendix B).

4.2 **Appointment of Transaction Security Trustee**

As long as any Notes are outstanding, the Issuer shall ensure that a Transaction Security Trustee is appointed at all times who has undertaken substantially the same functions and obligations as the Transaction Security Trustee pursuant to these Terms and Conditions and the Transaction Security Agreement.

5. PAYMENTS ON THE NOTES

5.1 Payment Dates

Payments of interest and, after the expiration of the Replenishment Period, in accordance with the provisions herein, principal in respect of the Notes to the Noteholders shall become due and payable monthly on the eleventh day of each calendar month or if such day is not a Business Day, on the next succeeding day which is a Business Day unless such date would thereby fall into the next calendar month, in which case the payment will be made on the immediately preceding Business Day, commencing on 11 April 2014 (each such day, a "**Payment Date**"). "**Business Day**" shall mean a day on which all relevant parts of the Trans-European Automated Real-Time Gross Settlement Express Transfer System (Target 2) which was launched on 17 November 2007 ("**TARGET**") are operational and on which commercial banks and foreign exchange markets are open or required to be open for business in London (United Kingdom), Frankfurt am Main (Germany), Vienna (Austria), Madrid (Spain) and Luxembourg.

5.2 Note Principal Amount

Payments of interest and, after the expiration of the Replenishment Period, payments of principal and interest on each Note as of any Payment Date shall be made on the Note Principal Amount of such Note. The "**Note Principal Amount**" of any Note as of any date shall equal the initial note principal amount of EUR 100,000 as reduced by all amounts paid prior to such date on such Note in respect of principal. "**Class A Principal Amount**" shall mean, as of any date, the sum of the Note Principal Amounts of all Class A Notes and "**Class B Principal Amount**" shall mean, as of any date, the sum of the Note Principal Amounts of all Class B Notes. Each of the Class A Principal Amount and the Class B Principal Amount is referred to herein as a "**Class Principal Amount**". The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the aggregate principal amount of Notes represented by the Global Note and, for these purposes, a statement issued by an ICSD stating the amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption or payment of interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Note the Issuer shall procure that details of any redemption, payment or purchase and cancellation (as the case may be) in respect of the Global Note shall be entered *pro rata* in the records of the ICSDs and, upon any such entry being made, the aggregate principal amount of the Notes recorded in the records of the ICSDs and represented by the Global Note shall be reduced by the aggregate principal amount of the Notes so redeemed or purchased and cancelled.

On an exchange of a portion only of the Notes represented by a Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered *pro rata* in the records of the ICSDs.

5.3 **Payments and Discharge**

- (a) Payments of interest and, after the expiration of the Replenishment Period, payments of principal and interest in respect of the Notes shall be made by the Issuer, through the Principal Paying Agent and the Cash Manager, on each Payment Date to, or to the order of, the ICSDs, as relevant, for credit to the relevant participants in the ICSDs for subsequent transfer to the Noteholders. The Cash Manager will trigger from the Transaction Account on behalf of the Issuer all payments of interest and principal on the Notes upon receipt of the respective notifications as provided for under Condition 8 (*Notifications*).
- (b) Payments in respect of interest on any Notes represented by the Temporary Global Note shall be made to, or to the order of, the ICSDs, as relevant, for credit to the relevant participants in the ICSDs for subsequent transfer to the relevant Noteholders upon due certification as provided in Condition 1(c) (*Form and Denomination*).
- (c) All payments made by the Issuer to, or to the order of, the ICSDs, as relevant, shall discharge the liability of the Issuer under the relevant Notes to the extent of the sums so paid. Any failure to make the entries in the records of the ICSDs referred to in Condition 5.2 (*Note Principal Amount*) shall not affect the discharge referred to in the preceding sentence.

6. **PAYMENTS OF INTEREST**

6.1 **Interest Calculation**

- (a) Subject to the limitations set forth in Condition 3.2 (*Limited Recourse*) and, in particular, subject to the Pre-Enforcement Priority of Payment and, upon the occurrence of an Issuer Event of Default, the Post-Enforcement Priority of Payments, each Note shall bear interest on its Note Principal Amount from the Note Issuance Date until the close of the day preceding the day on which such Note has been redeemed in full (both days inclusive).
- (b) The amount of interest payable by the Issuer in respect of each Note on any Payment Date ("**Interest Amount**") shall be calculated by the Calculation Agent by applying the relevant Interest Rate (Condition 6.3 (*Interest Rate*)), for the relevant Interest Period (Condition 6.2 (*Interest Period*)), to the Note Principal Amount outstanding immediately prior to the relevant Payment Date and multiplying the result by the actual number of days in the relevant Interest Period divided by 360 and rounding the result to the nearest EUR 0.01 (with EUR 0.005 being rounded upwards). "**Class A Notes Interest**" shall mean the aggregate Interest Amount payable (including any Interest Shortfall) in respect of all Class A Notes on any date and "**Class B Notes Interest**" shall mean the aggregate Interest Amount payable (including any Interest Shortfall) in respect of all Class B Notes on any date.

6.2 **Interest Period**

"**Interest Period**" shall mean, in respect of the first Payment Date, the period commencing on (and including) the Note Issuance Date and ending on (but excluding) the first Payment Date and in respect of any subsequent Payment Date, the period commencing on (and including) a Payment Date and ending on (but excluding) the immediately following Payment Date.

6.3 **Interest Rate**

The interest rate payable on the Notes for each Interest Period (each, an "**Interest Rate**") for the Class A Notes shall be 2,301 % per annum (the "**Class A Note Interest Rate**") and the interest rate for the Class B Notes shall be 3,384 % per annum (the "**Class B Note Interest Rate**").

This Condition 6.3 shall be without prejudice to the application of any higher interest under applicable mandatory law.

6.4 **Interest Shortfall**

Accrued interest not paid on any Payment Date related to the Interest Period in which it accrued, will be an "**Interest Shortfall**" with respect to the relevant Note. An Interest Shortfall shall become due and payable on the next Payment Date and on any following Payment Date (subject to Condition 3.2 (*Limited Recourse*)) until it is reduced to zero. Interest shall not accrue on Interest Shortfalls at any time.

7. **REPLENISHMENT AND REDEMPTION**

7.1 **Replenishment**

No payments of principal in respect of the Notes shall become due and payable to the Noteholders during the Replenishment Period. On each Payment Date during the Replenishment Period, the Seller may, without the consent of the Issuer or the Transaction Security Trustee, sell and assign to the Issuer Additional Receivables in accordance with the provisions of the Receivables Purchase Agreement (the "**Replenishment Period**") for an aggregate purchase price not exceeding the Replenishment Available Amount, *provided that* the following conditions are satisfied as of such Payment Date: (a) in respect of each Additional Receivable the Eligibility Criteria (as set out in Appendix C) are met and (b) each Additional Receivable and the Related Collateral are assigned and transferred in accordance with the provisions of the Receivables Purchase Agreement and the Data Trust Agreement. The Issuer shall be obligated to purchase and acquire Receivables for purposes of a Replenishment only to the extent that the obligation to pay the purchase price for the Receivables offered to the Issuer by the Seller for purchase on any Purchase Date can be satisfied by the Issuer by applying the Available Distribution Amount as of the Cut-Off Date immediately preceding the relevant Purchase Date in accordance with the Pre-Enforcement Priority of Payments.

7.2 **Amortisation**

Subject to the limitations set forth in Condition 3.2 (*Limited Recourse*) and, in particular, subject to the Post-Enforcement Priority of Payments upon the occurrence of an Issuer Event of Default, the Class A Notes and, after the Class A Notes have been redeemed in full, the Class B Notes, in this order sequentially, shall be redeemed on each Payment Date falling on a date after the expiration of the Replenishment Period in an amount equal to the Available Distribution Amount less the sum of all amounts payable or to be applied (as the case may be) by the Issuer as set forth in the Pre-Enforcement Priority of Payments

under items *first to eleventh* (inclusive) and item *thirteenth* (if relevant) and subject to the relevant Class Target Principal Amount, *provided that* each Note of a particular Class shall be redeemed on each Payment Date in an amount equal to the redemption amount allocated to such Class divided by the number of Notes in such Class. "**Class A Notes Principal**" shall mean the aggregate principal amount payable in respect of all Class A Notes on any date and "**Class B Notes Principal**" shall mean the aggregate principal amount payable in respect of all Class B Notes on any date.

7.3 **Scheduled Maturity Date**

On the Payment Date falling in February 2025 ("**Scheduled Maturity Date**"), each Class A Note shall, unless previously redeemed or purchased and cancelled, be redeemed in full at the then outstanding Note Principal Amount and, after all Class A Notes have been redeemed in full, each Class B Note shall, unless previously redeemed or purchased and cancelled, be redeemed in full at the then outstanding Note Principal Amount, subject to the availability of funds pursuant to the Pre-Enforcement Priority of Payments. In the event of insufficient funds pursuant to the Pre-Enforcement Priority of Payments, any outstanding Note shall be redeemed on the next Payment Date and on any following Payment Date in accordance with and subject to the limitations set forth in Condition 3.2 (*Limited Recourse*) until each Note has been redeemed in full, subject to the Condition 7.4 (*Legal Maturity Date*).

7.4 **Legal Maturity Date**

On the Payment Date falling in February 2028 ("**Legal Maturity Date**"), each Class A Note shall, unless previously redeemed or purchased and cancelled, be redeemed in full at the then outstanding Note Principal Amount and, after all the Class A Notes have been redeemed in full, each Class B Note shall, unless previously redeemed or purchased and cancelled, be redeemed in full at the then outstanding Note Principal Amount, in each case subject to the limitations set forth in Condition 3.2 (*Limited Recourse*). The Issuer will be under no obligation to make any payment under the Notes after the Legal Maturity Date.

7.5 **Early Redemption**

- (a) On any Payment Date on or following which all of the Class A Notes have been redeemed in full, the Seller will have the option under the Receivables Purchase Agreement to repurchase all Purchased Receivables (together with any Related Collateral) which have not been sold to a third party and the proceeds from such repurchase shall constitute Collections, subject to the following requirements:
 - (i) the proceeds distributable as a result of such repurchase on the Early Redemption Date shall be at least equal to the then Aggregate Outstanding Note Principal Amount of all Notes plus accrued interest thereon together with all amounts ranking prior thereto according to the Pre-Enforcement Priority of Payments;

- (ii) the Seller shall advise the Issuer of its intention to exercise the repurchase option at least one month prior to the contemplated termination date which shall be a Payment Date ("**Early Redemption Date**"); and
 - (iii) the repurchase price to be paid by the Seller is equal to the current value of all Purchased Receivables outstanding plus any interest accrued until and outstanding on the Early Redemption Date.
- (b) Early redemption of the Notes pursuant to this Condition 7.5 shall be excluded if the sum of the repurchase price determined pursuant to Condition 7.5(a)(iii) above is not sufficient to fully satisfy the obligations of the Issuer specified under Condition 7.5(a)(i) above.
- (c) Upon payment in full of the amounts pursuant to Condition 7.5(a)(i) to the Noteholders, the Noteholders shall not receive any further payments of interest or principal.

7.6 **Optional Redemption for Taxation Reasons**

If the Issuer is or becomes at any time required by law to deduct or withhold in respect of any payment under the Notes current or future taxes, levies or governmental charges, regardless of their nature, which are imposed under any applicable system of law or in any country which claims fiscal jurisdiction by, or for the account of, any political subdivision thereof or government agency therein authorised to levy taxes, the Issuer shall determine within 20 (twenty) calendar days of such circumstance occurring whether it would be practicable to arrange for the substitution of the Issuer in accordance with Condition 11 (*Substitution of the Issuer*) or to change its tax residence to another jurisdiction approved by the Transaction Security Trustee. The Transaction Security Trustee shall not give such approval unless each of the Rating Agencies has been notified in writing of such substitution or change of the tax residence of the Issuer. If the Issuer determines that any of such measures would be practicable, it shall effect such substitution in accordance with Condition 11 (*Substitution of the Issuer*) or (as relevant) such change of tax residence within 60 (sixty) calendar days from such determination. If, however, it determines within 20 (twenty) calendar days of such circumstance occurring that none of such measures would be practicable or if, having determined that any of such measures would be practicable, it is unable so to avoid such deduction or withholding within such further period of 60 (sixty) calendar days, then the Issuer shall be entitled at its option (but shall have no obligation) to fully redeem all (but not some only) of the Notes, upon not more than 60 (sixty) calendar days nor less than 30 (thirty) calendar days' notice of redemption given to the Transaction Security Trustee, to the Principal Paying Agent and, in accordance with Condition 13 (*Form of Notices*), to the Noteholders at their then outstanding Note Principal Amounts, together with accrued interest (if any) to the date (which must be a Payment Date) fixed for redemption. Any such notice shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

7.7 **Pre-Enforcement Priority of Payments**

On each Payment Date, prior to the occurrence of an Issuer Event of Default, the Available Distribution Amount as calculated of the Cut-Off Date immediately preceding such Payment Date shall be applied in accordance with the following order of priorities ("**Pre-Enforcement Priority of Payments**"):

first, to pay any obligation of the Issuer with respect to tax under any applicable law (if any);

second, to pay any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due and payable in the ordinary course of business), expenses and other amounts due and payable to the Transaction Security Trustee under the Transaction Documents;

third, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due to the Corporate Administrator under the Corporate Administration Agreement, the Data Trustee under the Data Trust Agreement, and the Account Bank under the Accounts Agreement, any amounts due and payable by the Issuer in connection with the establishment of the Issuer, and any other amounts due and payable or which are expected to fall due and payable by the Issuer in connection with the liquidation or dissolution (if applicable) of the Issuer or any other fees, costs and expenses, and a reserved profit of the Issuer of up to EUR 500 annually;

fourth, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due to the directors of the Issuer (properly incurred with respect to their duties), legal advisers or auditors of the Issuer, the Rating Agencies (including any ongoing monitoring fees), the Principal Paying Agent, the Calculation Agent and the Cash Manager under the Agency Agreement, the Manager under the Subscription Agreement (excluding any commissions and concessions which are payable to the Manager under the Subscription Agreement on the Note Issuance Date and which are to be paid by the Issuer by applying the funds disbursed to it under the Funding Loan), the relevant stock exchange on which the Notes may be listed, any listing agent, any intermediary between the Issuer, the Noteholders and the relevant stock exchange, the Common Safekeeper or any other relevant party with respect to the issue of the Notes;

fifth, pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due to the Servicer under the Servicing Agreement or otherwise, and any such amounts due to any substitute servicer (including any expenses, costs and fees incurred in the course of replacement) for the Purchased Receivables and any Related Collateral which may be appointed from time to time in accordance with this Receivables Purchase Agreement or the Servicing Agreement and any such costs and expenses incurred by the Issuer itself in the event that the Issuer collects and/or services the Purchased Receivables or any Related Collateral;

sixth, to pay Class A Notes Interest due and payable on such Payment Date *pro rata* on each Class A Note;

seventh, if no Principal Deficiency Trigger Event has occurred, to pay Class B Notes Interest due and payable on such *pro rata* on each Class B Note;

eighth, during the Replenishment Period, to pay the purchase price payable in accordance with the Receivables Purchase Agreement for any Additional Receivables purchased on such Payment Date, but only up to the Replenishment Available Amount;

ninth, during the Replenishment Period, to credit the Purchase Shortfall Account with the Purchase Shortfall Amount occurring on such Payment Date;

tenth, during the Replenishment Period, to credit the Reserve Fund with effect as from such Payment Date up to the Required Reserve Amount;

eleventh, after the expiration of the Replenishment Period and unless the Payment Date falls on a Servicer Disruption Date, to credit to the Reserve Fund with effect as from such Payment Date up to the Required Reserve Amount;

twelfth, after the expiration of the Replenishment Period, to pay any Class A Notes Principal as of such Cut-Off Date, *pro rata* on each Class A Note, but only until the Class A Principal Amount following such payment is equal to the Class A Target Principal Amount;

thirteenth, upon the occurrence of a Principal Deficiency Trigger Event, to pay Class B Notes Interest due and payable on such Payment Date *pro rata* on each Class B Note;

fourteenth, after the expiration of the Replenishment Period and after the Class A Notes have been redeemed in full, to pay any Class B Notes Principal as of such Cut-Off Date, *pro rata* on each Class B Note, but only until the Class B Principal Amount following such payment is equal to the Class B Target Principal Amount;

fifteenth, unless the Payment Date falls on a Servicer Disruption Date, after a Commingling Reserve Trigger Event has occurred, to credit the Commingling Reserve Account with effect as from such Payment Date up to the amount of the Commingling Reserve Amount as of such Cut-Off Date;

sixteenth, unless the Payment Date falls on a Servicer Disruption Date, after a Set-Off Reserve Trigger Event has occurred, to credit to and fill the Set-Off Reserve Account with effect as from such Payment Date up to the amount of the Set-Off Reserve Amount as of the Cut-Off Date;

seventeenth, unless the Payment Date falls on a Servicer Disruption Date, to pay first, interest (including accrued interest) due and payable under the Subordinated Loan Agreement and thereafter, outstanding principal under the Subordinated Loan Agreement in the event of any reduction of the Required Reserve Amount from time to time (if any) in accordance with the provisions of the Receivables Purchase Agreement, in an amount (if any) which is equal to the difference between the amount of the Required Reserve Amount as of the Cut-Off Date immediately preceding such Cut-Off Date and the Required Reserve Amount as of such Cut-Off Date, but in no event more than the difference

between the actual credit then standing to the Reserve Fund as of such Cut-Off Date and the Required Reserve Amount as of such Cut-Off Date (and if such difference is negative, it shall be deemed to be zero);

eighteenth, unless the Payment Date falls on a Servicer Disruption Date, to pay any amounts owed by the Issuer to the Seller under the Receivables Purchase Agreement in respect of (i) any valid return of a direct debit ("*Lastschriftrückbelastung*") (to the extent such returns do not reduce the Collections for the Collection Period ending on such Cut-Off Date), (ii) any tax credit, relief, remission or repayment received by the Issuer on account of any tax or additional amount paid by the Seller or (iii) any Deemed Collection paid by the Seller for a Disputed Receivable which proves subsequently with res judicata (rechtskräftig festgestellt) to be an enforceable Purchased Receivable, or otherwise (including, for the avoidance of doubt, any claims of the Seller against the Issuer for breach of obligation) under the Receivables Purchase Agreement or other Transaction Documents; and

nineteenth, unless the Payment Date falls on a Servicer Disruption Date, to pay prior to the occurrence of a Termination Event, any remaining amount to the Seller in accordance with the Receivables Purchase Agreement,

provided that any payment to be made by the Issuer under items *first* to *fifth* (inclusive) with respect to taxes shall be made on the Business Day on which such payment is then due and payable using any amounts than credited to the Transaction Account and, if applicable, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account.

7.8 **Post-Enforcement Priority of Payments**

Upon the occurrence of an Issuer Event of Default, on any Payment Date any Credit (as defined in Clause 23.1 of the Transaction Security Agreement) shall be applied in the order towards fulfilling the payment obligations of the Issuer, in each case to the extent payments of a higher priority have been made in full as set out in Clause 23.2 (*Post-Enforcement Priority of Payments*) of the Transaction Security Agreement.

8. **NOTIFICATIONS**

The Principal Paying Agent shall notify the Issuer, the Corporate Administrator, the Transaction Security Trustee and, on behalf of the Issuer, by means of notification in accordance with Condition 13 (*Form of Notices*), the Noteholders, and so long as any of the Notes are listed on the Luxembourg Stock Exchange, the Luxembourg Stock Exchange

- (i) with respect to each Payment Date, of the Interest Amount pursuant to Condition 6.1 (*Interest Calculation*);
- (ii) with respect to each Payment Date, of the amount of Interest Shortfall pursuant to Condition 6.4 (*Interest Shortfall*), if any;
- (iii) with respect to each Payment Date falling on a date after the expiration of the Replenishment Period, of the amount of the amount of principal on each Class A

Note and each Class B Note pursuant to Condition 7 (*Redemption*) to be paid on such Payment Date;

- (iv) with respect to each Payment Date falling on a date after the expiration of the Replenishment Period, of the Note Principal Amount of each Class A Note and each Class B Note and the Class A Principal Amount and the Class B Principal Amount as from such Payment Date; and
- (v) in the event the payments to be made on a Payment Date constitute the final payment with respect to Notes pursuant to Condition 7.4 (*Legal Maturity Date*), Condition 7.5 (*Early Redemption*) or Condition 7.6 (*Optional Redemption for Taxation Reasons*), of the fact that such is the final payment; and
- (vi) of the occurrence of a Servicer Disruption Date as notified by the Calculation Agent.

In each case, such notification shall be made by the Principal Paying Agent on the Determination Date preceding the relevant Payment Date.

9. **AGENTS; DETERMINATIONS BINDING**

- (a) The Issuer has appointed The Bank of New York Mellon, London Branch, as paying agent (in such capacity, the "**Principal Paying Agent**") as interest determination agent (in such capacity, the "**Calculation Agent**") and as cash manager (in such capacity, the "**Cash Manager**"), each of the Principal Paying Agent, the Calculation Agent and the Cash Manager an "**Agent**".
- (b) The Issuer shall procure that for as long as any Notes are outstanding there shall always be a Principal Paying Agent, a Calculation Agent and a Cash Manager to perform the functions assigned to it in these Terms and Conditions. The Issuer may at any time, by giving not less than 30 (thirty) calendar days' notice by publication in accordance with Condition 13 (*Form of Notices*), replace any of the Agents by one or more other banks or other financial institutions which assume such functions, *provided that* (i) the Issuer shall maintain at all times a paying agent having a specified office in the European Union for as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and (ii) no paying agent local in the United States of America will be appointed. Each of the Agents shall act solely as agent for the Issuer and shall not have any agency or trustee relationship with the Noteholders.
- (c) All Interest Amounts determined and other calculations and determinations made by the Calculation Agent for the purposes of these Terms and Conditions shall, in the absence of manifest error, be final and binding.

10. **TAXES**

Payments shall only be made by the Issuer after the deduction and withholding of current or future taxes, levies or governmental charges, regardless of their nature, which are imposed, levied or collected (collectively, "**Taxes**") under any applicable system of law or in any country which claims fiscal jurisdiction by, or for the account of, any political subdivision thereof or government agency therein authorised to levy taxes, to the extent that

such deduction or withholding is required by law. The Issuer shall account for the deducted or withheld taxes with the competent government agencies and shall, upon request of a Noteholder, provide proof thereof. The Issuer is not obliged to pay any additional amounts as compensation for taxes.

11. SUBSTITUTION OF THE ISSUER

- (a) If, in the determination of the Issuer and the reasonable opinion of the Transaction Security Trustee (who may rely on one or more legal opinions from reputable law firms), as a result of any enactment of or supplement or amendment to, or change in, the laws of any relevant jurisdiction or as a result of an official communication of previously not existing or not publicly available official interpretation, or a change in the official interpretation, implementation or application of such laws that becomes effective on or after the Note Issuance Date:
- (i) any of the Issuer, the Seller or the Servicer would, for reasons beyond its control, and after taking reasonable measures (such measures not involving any material additional payment or other expenses), be materially restricted from performing any of its obligations under the Notes or the other Transaction Documents to which it is a party; or
 - (ii) any of the Issuer, the Seller or the Servicer would, for reasons beyond its control, and after taking reasonable measures (such measures not involving any material additional payment or other expenses), (x) be required to make any tax withholding or deduction in respect of any payments on the Notes and/or the other Transaction Documents to which it is a party or (y) would not be entitled to relief for tax purposes for any amount which it is obliged to pay, or would be treated as receiving for tax purposes an amount which it is not entitled to receive, in each case under the Notes or the other Transaction Documents; then the Issuer shall inform the Transaction Security Trustee accordingly and shall, in order to avoid the relevant event described in paragraph (i) or (ii) above, use its reasonable endeavours to arrange the substitution of the Issuer with a company incorporated in another jurisdiction in accordance with Condition 11(b) or to effect any other measure suitable to avoid the relevant event described in paragraph (i) above or this (ii).
- (b) The Issuer is entitled to substitute in its place another company ("**New Issuer**") as debtor for all obligations arising under and in connection with the Notes only subject to the provisions of Condition 11(a) and the following conditions:
- (i) the New Issuer assumes all rights and duties of the Issuer under or pursuant to the Notes and the Transaction Documents by means of an agreement with the Issuer and or the other parties to the Transaction Documents, and that the Collateral created in accordance with Condition 3.1 (*Security*) is held by the Transaction Security Trustee for the purpose of securing the obligations of the New Issuer upon the Issuer's substitution;

- (ii) no additional expenses or legal disadvantages of any kind arise for the Noteholders from such assumption of debt and the Issuer has obtained a tax opinion to this effect from a reputable tax lawyer in the relevant jurisdiction which can be examined at the offices of the Principal Paying Agent;
 - (iii) the New Issuer provides proof satisfactory to the Transaction Security Trustee that it has obtained all of the necessary governmental approvals in the jurisdiction in which it has its registered address and that it is permitted to fulfil all of the obligations arising under or in connection with the Notes without discrimination against the Noteholders in their entirety;
 - (iv) the Issuer and the New Issuer enter into such agreements and execute such documents necessary for the effectiveness of the substitution; and
 - (v) the Rating Agencies have been notified of such substitution. Upon fulfilment of the aforementioned conditions, the New Issuer shall in every respect substitute the Issuer and the Issuer shall, vis-à-vis the Noteholders, be released from all obligations relating to the function of Issuer under or in connection with the Notes.
- (c) Notice of such substitution of the Issuer shall be given in accordance with Condition 13 (*Form of Notices*).
- (d) In the event of such substitution of the Issuer, each reference to the Issuer in these Terms and Conditions shall be deemed to be a reference to the New Issuer.

12. **RESOLUTION OF NOTEHOLDERS**

- (a) The Noteholders of any Class may agree by majority resolution to amend these Terms and Conditions, *provided that* no obligation to make any payment or render any other performance shall be imposed on any Noteholder by majority resolution.
- (b) Majority resolutions shall be binding on all Noteholders of the relevant Class. Resolutions which do not provide for identical conditions for all Noteholders of relevant Class are void, unless the Noteholders of such Class who are disadvantaged have expressly consented to their being treated disadvantageously.
- (c) Noteholders of any Class may in particular agree by majority resolution in relation to such Class to the following:
 - (i) the change of the due date for payment of interest, the reduction, or the cancellation, of interest;
 - (ii) the change of the due date for payment of principal;
 - (iii) the reduction of principal;
 - (iv) the subordination of claims arising from the Notes of such Class in insolvency proceedings of the Issuer;
 - (v) the conversion of the Notes of such Class into, or the exchange of the Notes of such Class for, shares, other securities or obligations;

- (vi) the exchange or release of security;
 - (vii) the change of the currency of the Notes of such Class;
 - (viii) the waiver of restriction of Noteholder's rights to terminate the Notes of such Class;
 - (ix) the substitution of the Issuer;
 - (x) the appointment or removal of a common representative for the Noteholders of such Class; and
 - (xi) the amendment or rescission of ancillary provisions of the Notes.
- (d) Resolutions shall be passed by simple majority of the votes cast. Resolutions relating to material amendments to these Terms and Conditions, in particular to provisions relating to the matters specified in Condition 12 (*Resolution of the Noteholders*) items (c)(i) through (x) above, require a majority of not less than 75 per cent. of the votes cast (a "**qualified majority**").¹
- (e) Noteholders of the relevant Class may pass resolutions by vote taken without a meeting.
- (f) Each Noteholder participating in any vote shall cast votes in accordance with the nominal amount or the national share of its entitlement to the outstanding Notes of the relevant Class. As long as the entitlement to the Notes of the relevant Class lies with, or the Notes of the relevant Class are held for the account of, the Issuer or any of its affiliates (§ 271 (2) of the German Commercial Code (*Handelsgesetzbuch*)), the right to vote in respect of such Notes shall be suspended. The Issuer may not transfer Notes, of which the voting rights are so suspended, to another person for the purpose of exercising such voting rights in the place of the Issuer; this shall also apply to any affiliate of the Issuer. No person shall be permitted to exercise such voting right for the purpose stipulated in sentence 3, first half sentence, herein above.
- (g) No person shall be permitted to offer, promise or grant any benefit or advantage to another person entitled to vote in consideration of such person abstaining from voting or voting a certain way.
- (h) A person entitled to vote may not demand, accept or accept a promise of, any benefit, advantage or consideration for abstaining from voting or voting in a certain way.
- (i) The Noteholders of any Class may by qualified majority resolution appoint a common representative (*gemeinsamer Vertreter*) ("**Noteholders' Representative**") to exercise rights of the Noteholders of such Class on behalf of each Noteholder. Any natural person having legal capacity or any qualified legal person may act as Noteholders' Representative. Any person who:

¹ 1 The list of matters specified in Condition 12 (c) (i) through (ix) corresponds to the statutory list set out in § 5 (3) nos. 1-9 of the German Act on Debt Securities (*Schuldverschreibungsgesetz*). For all of the matters specified in § 5 (3) nos. 1-9 of the German Act on Debt Securities (*Schuldverschreibungsgesetz*) only a majority of 75 per cent. or more is permitted.

- (i) is a member of the management board, the supervisory board, the board of directors or any similar body, or an officer of employee, of the Issuer or any of its affiliates;
- (ii) holds an interest of at least 20 per cent. in the share capital of the Issuer or of any of its affiliates;
- (iii) is a financial creditor of the Issuer or any of its affiliates, holding a claim in the amount of at least 20 per cent. of the outstanding Notes of such Class, or is a member of a corporate body, an officer or other employee of such financial creditor; or
- (iv) is subject to the control of any of the persons set forth in sub-paragraphs (i) to (iii) above by reason of a special personal relationship with such person,

must disclose the relevant circumstances to the Noteholders of such Class prior to being appointed as a Noteholders' Representative. If any such circumstances arise after the appointment of a Noteholders' Representative, the Noteholders' Representative shall inform the Noteholders of the relevant Class promptly in appropriate form and manner.

If the Noteholders of different Classes appoint a Noteholders' Representative, such person may be the same person as is appointed Noteholders' Representative of such other Class.

- (j) The Noteholders' Representative shall have the duties and powers provided by law or granted by majority resolution of the Noteholders of the relevant Class. The Noteholders' Representative shall comply with the instructions of the Noteholders of the relevant Class. To the extent that the Noteholders' Representative has been authorised to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Noteholders' Representative shall provide reports to the Noteholders of the relevant Class on its activities.
- (k) The Noteholders' Representative shall be liable for the performance of its duties towards the Noteholders of the relevant Class who shall be joint and several creditors (*Gesamtgläubiger*); in the performance of its duties it shall act with the diligence and care of a prudent business manager. The liability of the Noteholders' Representative may be limited by a resolution passed by the Noteholders of the relevant Class. The Noteholders of the relevant Class shall decide upon the assertion of claims for compensation of the Noteholders of such Class against the Noteholders' Representative.
- (l) Each Noteholders' Representative may be removed from office at any time by the Noteholders of the relevant Class without specifying any reasons. Each Noteholders' Representative may demand from the Issuer to furnish all information required for the performance of the duties entrusted to it. The Issuer shall bear the costs and expenses arising from the appointment of each Noteholders' Representative, including reasonable remuneration of such Noteholders' Representative.

13. **FORM OF NOTICES**

- (a) All notices to the Noteholders hereunder shall be either (i) delivered to Euroclear and Clearstream Luxembourg for communication by it to the Noteholders or (ii) made available for a period of not less than 30 calendar days but in a case only as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange on the following website: www.bourse.lu.
- (b) Any notice referred to under Condition 13(a)(i) above shall be deemed to have been given to all Noteholders on the seventh calendar day after the day on which such notice was delivered to Euroclear and Clearstream Luxembourg. Any notice referred to under Condition 13(a)(ii) above shall be deemed to have been given to all Noteholders on the day which it is made available on the website, *provided that* if so made available after 4:00 p.m. (Frankfurt time) it shall be deemed to have been given on the immediately following calendar day.
- (c) If any Notes are listed on any stock exchange other than Luxembourg Stock Exchange, all notices to the Noteholders shall be published in a manner conforming to the rules of such stock exchange. Any notice shall be deemed to have been given to all Noteholders on the date of such publication conforming to the rules of such stock exchange.

14. **MISCELLANEOUS**

14.1 **Presentation Period**

The presentation period for the Global Notes provided in Section 801(1), first sentence, of the German Civil Code (*Bürgerliches Gesetzbuch*) shall end five years after the Legal Maturity Date.

14.2 **Replacement of Global Notes**

If any of the Global Notes is lost, stolen, damaged or destroyed, it may be replaced by the Issuer upon payment by the claimant of the costs arising in connection therewith. As a condition of replacement, the Issuer may require the fulfilment of certain conditions, the provision of proof regarding the existence of indemnification and or the provision of adequate collateral. In the event of any of the Global Notes being damaged, such Global Note shall be surrendered before a replacement is issued. If any Global Note is lost or destroyed, the foregoing shall not limit any right to file a petition for the annulment of such Global Note pursuant to the provisions of the laws of the Federal Republic of Germany.

14.3 **Governing Law**

The form and content of the Notes and all of the rights and obligations of the Noteholders and the Issuer under the Notes shall be governed in all respects by the laws of the Federal Republic of Germany.

14.4 **Jurisdiction**

The non-exclusive place of jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes shall be the District Court (*Landgericht*) in Frankfurt am Main. The Issuer hereby submits to the jurisdiction of such court. The German courts shall have exclusive jurisdiction over the annulment of the Global Notes in the event of their loss or destruction.

SUMMARY OF RULES REGARDING RESOLUTION OF NOTEHOLDERS

Pursuant to the Terms and Conditions of the Notes, the Noteholders may agree to amendments or decide on other matters relating to the Notes by way of resolution to be passed by taking votes without a meeting.

In addition to the provisions included in the Terms and Conditions of the Notes, the rules regarding the solicitation of votes and the conduct of the voting by Noteholders, the passing and publication of resolutions as well as their implementation and challenge before German courts are set out in Schedule 7 to the Agency Agreement which is incorporated by reference into the Terms and Conditions. Under the German Act on Debt Securities (*Schuldverschreibungsgesetz*), these rules are largely mandatory, although they permit in limited circumstances supplementary provisions set out in or incorporated into the Terms and Conditions.

Specific rules on the taking of votes without a meeting

The following is a brief summary of some of the statutory rules regarding the solicitation and conduct of the voting, the passing and publication of resolutions as well as their implementation and challenge before German courts.

The voting shall be conducted by the person presiding over the taking of votes (the "**Chairperson**") who shall be (i) a notary appointed by the Issuer, (ii) the Noteholders' Representative if such a representative has been appointed and has solicited the taking of votes, or (iii) a person appointed by the competent court.

The notice for the solicitation of the votes shall specify the period within which votes may be cast. Such period shall not be less than 72 hours. During such period, the Noteholders may cast their votes to the Chairperson. The notice for the solicitation of votes shall give details as to the prerequisites which must be met for votes to qualify for being counted.

The Chairperson shall determine each Noteholder's entitlement to vote on the basis of evidence presented and shall prepare a roster of the Noteholder's meeting. Each Noteholder who has taken part in the vote may request from the Issuer, for up to one year following the end of the voting period, a copy of the minutes for such vote and any annexes thereto.

Each Noteholder who has taken part in the vote may object in writing to the result of the vote within two weeks following the publication of the resolutions passed. The objection shall be decided upon by the Chairperson. If the Chairperson does not remedy the objection, the Chairperson shall promptly inform the objecting Noteholder in writing.

The Issuer shall bear the costs of the vote and, if the court has convened a meeting or appointed or removed the Chairperson, also the costs of such proceedings.

Rules on Noteholders' Meetings under the German Act on Debt Securities

In addition to the aforementioned rules, the statutory rules applicable to Noteholders' meetings apply *mutatis mutandis* to any taking of votes by Noteholders without a meeting. The following summarises some of such rules.

Meetings of Noteholders may be convened by the Issuer and the Noteholders' Representative if such a representative has been appointed. Meetings of Noteholders must be convened if one or more Noteholders holding 5 per cent or more of the outstanding Notes so require for specified reasons permitted by statute.

Meetings may be convened not less than 14 days before the date of the meeting. Attendance and voting at the meeting may be made subject to prior registration of Noteholders. The convening notice will provide what proof will be required for attendance and voting at the meeting. The place of the meeting in respect of a German Issuer is the place of the Issuer's registered office, provided, however, that where the relevant notes are listed on a stock exchange within European Union or the European Economic Area, the meeting may be held at the place of such stock exchange.

The convening notice must include relevant particulars and must be made publicly available together with the agenda of the meeting setting out the proposals for resolution.

Each Noteholder may be represented by proxy. A quorum exists if Noteholders representing by value not less than 50 per cent of the outstanding Notes are present or represented at the meeting. If the quorum is not reached, a second meeting may be called at which quorum will be required, *provided that* where a resolution may only be adopted by a qualified majority, a quorum requires the presence of at least 25 per cent of the principal amount of outstanding Notes.

All resolutions adopted must be properly published. Resolutions which amend or supplement the Terms and Conditions of Notes certificated by one or more global notes must be implemented by supplementing or amending the relevant global note(s).

In insolvency proceedings instituted in Germany against the Issuer, the Noteholders' Representative, if appointed, is obliged and exclusively entitled to assert the Noteholders' rights under the Notes. Any resolutions passed by the Noteholders are subject to the provisions of the German Insolvency Code (*Insolvenzverordnung*).

If a resolution constitutes a breach of the statute or the Terms and Conditions of the Notes, Noteholders may bring an action to set aside such resolution. Such action must be filed with the competent court within one month following the publication of the resolution.

DEFINITIONS

Defined terms in this Prospectus and in the Transaction Documents are written in capital letters although the defined meaning is meant when the defined term is not written in capital letters. The definitions can be found in " SCHEDULE 1 DEFINITIONS" to this Prospectus. Special defined terms for single agreements of the Transaction Documents or the Prospectus are defined in the single agreement or in the Prospectus respectively.

THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT

The following sets out the main provisions of the Transaction Security Agreement. The full text of the Transaction Security Agreement (excluding any Schedules thereto) constitutes Appendix B to the Terms and Conditions and forms an integral part of the Terms and Conditions. The text of the recitals, Clause 1 [omitted], Clause 41.2 [omitted], and Clause 48 [omitted], of the Transaction Security Agreement have been omitted from the following.

1. **[OMITTED]**

2. **DUTIES OF THE TRANSACTION SECURITY TRUSTEE**

This Agreement sets out the general rights and obligations of the Transaction Security Trustee which govern the performance of its functions under this Agreement. The Transaction Security Trustee shall perform the activities and services set out in this Agreement or contemplated to be performed by the Transaction Security Trustee pursuant to the terms of any other Transaction Document to which the Transaction Security Trustee is a party. Unless otherwise stated herein or in the other Transaction Documents to which the Transaction Security Trustee is a party, the Transaction Security Trustee is not obliged to supervise the discharge by the Issuer of its payment and other obligations arising from the Notes or any other relevant Transaction Documents or to carry out duties which are the responsibility of the Issuer.

3. **POSITION OF TRANSACTION SECURITY TRUSTEE IN RELATION TO THE BENEFICIARIES**

3.1 The Transaction Security Trustee shall acquire and hold the security granted to it under this Agreement and exercise its rights (other than its rights under Clauses 28 to 31 of this Agreement) and discharge its duties under the Transaction Documents (other than the Funding Loan Agreement) as a trustee (*Treuhänder*) (for the avoidance of doubt, with the exception of the Transaction Security Trustee Claim) for the benefit of the Beneficiaries. Without prejudice to the Post-Enforcement Priority of Payments as set out in Section 23 (*Post-Enforcement Priority of Payments*) ("**Post-Enforcement Priority of Payments**"), the Transaction Security Trustee shall exercise its duties under this Agreement with regard (i) as long as any of the Class A Notes are outstanding, only to the interests of the Class A Noteholders and (ii) if no Class A Notes remain outstanding, only to the interests of the Class B Noteholders and (iii) if no Notes remain outstanding, only to the interests of the Beneficiary ranking highest in the Post-Enforcement Priority of Payments to whom any amounts are owed.

3.2 This Agreement constitutes a genuine contract for the benefit of third parties (*echter Vertrag zugunsten Dritter*) pursuant to section 328(1) of the German Civil Code (*Bürgerliches Gesetzbuch*) in respect of the obligations of the Transaction Security Trustee contained herein to act as trustee (*Treuhänder*) for the benefit of present and future Beneficiaries. The rights of the Issuer pursuant to Clause 4.2 in the event of an enforcement of the Transaction Security Trustee Claim shall remain unaffected.

4. POSITION OF TRANSACTION SECURITY TRUSTEE IN RELATION TO THE ISSUER

4.1 Insolvency of Transaction Security Trustee

To the extent that the Assigned Security (as defined in Clause 5.1 below) will be transferred to the Transaction Security Trustee for security purposes in accordance with Clause 5 (*Transfer for Security Purposes of the Assigned Security*), in the event of insolvency proceedings being commenced in respect of the Transaction Security Trustee, any Collateral held by the Transaction Security Trustee shall be transferred by the Transaction Security Trustee to the relevant new Transaction Security Trustee appointed in accordance with this Agreement. The Issuer and each Beneficiary hereby undertakes to assign any claim for segregation it may have in an insolvency of the Transaction Security Trustee with respect to this Agreement and the Collateral to the relevant new Transaction Security Trustee appointed in accordance with this Agreement for the purposes set out herein.

4.2 Transaction Security Trustee Claim

- (a) The Issuer hereby irrevocably and unconditionally, by way of an independent promise to perform obligations (*abstraktes Schuldversprechen*) promises to pay the Transaction Security Trustee an amount equal to:
- (i) any present or future, actual or contingent obligation of the Issuer in relation to any Noteholder under any Note when due; and
 - (ii) any present or future, actual or contingent obligation of the Issuer in relation to any other Beneficiary under any other Transaction Document (other than the Funding Loan Agreement) to which the Issuer is a party when due;
- (i) and (ii) together the "**Transaction Security Trustee Claim**".
- (b) The obligation of the Issuer to make payments to the relevant Beneficiary shall remain unaffected by the provisions of paragraph (a) above. The Transaction Security Trustee Claim may be enforced separately from the Beneficiary's claim in respect of the same payment obligation of the Issuer. The Transaction Security Trustee agrees to the Issuer and the other Beneficiaries to pay any sums received from the Issuer pursuant to this Clause 4.2 to the relevant Beneficiaries in accordance with the Post-Enforcement Priority of Payments (as such term is defined in Clause 23 (*Post-Enforcement Priority of Payments*)) upon the occurrence of an Issuer Event of Default; the relevant Transaction Secured Obligation shall only be deemed fulfilled when the payment due has been made by the Transaction Security Trustee to the relevant Beneficiary.

5. TRANSFER FOR SECURITY PURPOSES OF THE ASSIGNED SECURITY

5.1 Assignment and Transfer

The Issuer hereby assigns and transfers the following rights and claims (including any contingent rights (*Anwartschaftsrechte*) to such rights and claims) (together, the "**Assigned Security**") to the Transaction Security Trustee for the security purposes set out in Clause 7 (*Security Purpose*):

- (a) all Purchased Receivables together with any assignable Related Collateral and all rights, claims and interests relating thereto;
- (b) all rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Seller or the Servicer and/or any other party pursuant to or in respect of the Receivables Purchase Agreement or the Servicing Agreement, including all rights of the Issuer relating to any additional security;
- (c) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Subordinated Loan Provider and/or any other party pursuant to or in respect of the Subordinated Loan Agreement;
- (d) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Manager and or any other party pursuant to or in respect of the Subscription Agreement;
- (e) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to a third party pursuant to or in respect of the sale to such third party of Defaulted Receivables;
- (f) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Account Bank and/or the Corporate Administrator and/or any other party pursuant to or in respect of the Accounts Agreement;
- (g) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Data Trustee and/or any other party pursuant to or in respect of the Data Trust Agreement;
- (h) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Principal Paying Agent and/or the Calculation Agent pursuant to the Agency Agreement;
- (i) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from in relation to the Corporate Administrator and/or any other party pursuant to or in respect of the Corporate Administration Agreement; and
- (j) all present and future rights, claims and interests in or in relation to any amounts standing to the credit of the Transaction Account (including, without limitation,

the Reserve Fund), the Commingling Reserve Account, the Set-Off Reserve Account and any other Account,

in each case (a) to (j) above including any and all related non-ancillary (*selbstständige*) and ancillary (*unselbstständige*) rights to determine unilaterally legal relationships (*Gestaltungsrechte*), including any termination rights (*Kündigungsrechte*).

The Issuer hereby covenants in favour of the Transaction Security Trustee that it will assign and/or transfer any future assets received by it as security for any of the foregoing or otherwise in connection with the Transaction Documents (other than the Funding Loan Agreement) which are governed by German law, in particular such assets which it receives from any of its counterparties in relation to any of such Transaction Documents as collateral for the obligations of such counterparty towards the Issuer, to the Transaction Security Trustee. The Issuer will perform such covenant in accordance with the provisions of this Agreement.

5.2 The Transaction Security Trustee hereby accepts the assignment and the transfer of the Assigned Security and any security related thereto and the covenants of the Issuer hereunder.

5.3 The existing Assigned Security shall pass over to the Transaction Security Trustee on the date on which this Agreement becomes effective, and any future Assigned Security shall directly pass over to the Transaction Security Trustee at the date on which such Assigned Security arises, and in each case at the earliest at the time at which the Issuer has acquired the rights and claims of which the Assigned Security consists.

The Issuer undertakes to assign and transfer to the Transaction Security Trustee, on the terms and conditions and for the purposes set out herein, any rights and claims under any future Transaction Documents or further agreements relating to the Transaction Documents upon execution of such documents.

5.4 To the extent that title to the Assigned Security cannot be transferred by mere agreement between the Issuer and the Transaction Security Trustee as effected in the foregoing Clauses 5.1 to 5.3, the Issuer and the Transaction Security Trustee hereby agree with respect to all Purchased Receivables that:

(a) the delivery (*Übergabe*) necessary to effect the transfer of title for security purposes with regard to any movable Related Collateral with regard to any subsequently inserted parts thereof or with regard to any subsequently arising co-owner's interest, is hereby replaced in that the Issuer and the Transaction Security Trustee hereby agree that the Issuer hereby assigns to the Transaction Security Trustee all claims, present or future, to request transfer of possession (*Abtretung aller Herausgabeansprüche gemäß § 931 Bürgerliches Gesetzbuch*) against any third party (including any Debtors, Seller or (if different) Servicer) which is in the direct possession (*unmittelbarer Besitz*) or indirect possession (*mittelbarer Besitz*) of the movable Related Collateral. In addition to the foregoing it is hereby agreed that the Issuer shall, in the event that (but only in the event that) the movable Re-

lated Collateral is in the Issuer's direct possession (*unmittelbarer Besitz*), hold possession on behalf of the Transaction Security Trustee and shall grant the Transaction Security Trustee indirect possession (*mittelbarer Besitz*) of the Related Collateral by keeping it with due care free of charge (*als Verwahrer*) for the Transaction Security Trustee until revoked;

- (b) any notice to be given in order to effect transfer of title in the Assigned Security shall immediately be given by the Issuer in such form as the Transaction Security Trustee requires and the Issuer hereby agrees that if it fails to give such notice, the Transaction Security Trustee is hereby irrevocably authorised to give such notice on behalf of the Issuer;
- (c) any other thing to be done or form or registration to be effected to perfect a first priority security interest in the Assigned Security for the Transaction Security Trustee in favour of the Beneficiaries shall be immediately done and effected by the Issuer at its own costs; and
- (d) the Issuer shall provide any and all necessary details in order to identify the movable Related Collateral title to which has been transferred hereunder from the Issuer to the Transaction Security Trustee as contemplated herein by providing at the latest on the date on which this Agreement becomes effective.

The Transaction Security Trustee hereby accepts the assignment and transfer.

5.5 Assignment of Claims under Account Relationship

If an express or implied current account relationship (*echtes oder unechtes Kontokorrentverhältnis*) exists or is later established between the Issuer and a third party, the Issuer hereby assigns to the Transaction Security Trustee (without prejudice to the generality of the provisions in Clause 5.1 (*Assignment and Transfer*)) the right to receive a periodic account statement and the right to receive payment of present or future balances and the right to demand the drawing of a balance (including a final net balance determined upon the institution of any insolvency proceedings in respect of the assets of the Issuer), as well as the right to terminate the current account relationship and the right to receive payment of the closing net balance upon termination. The Issuer shall notify the Transaction Security Trustee of any future current account relationship it enters into in accordance with the Transaction Documents.

5.6 Acknowledgement of Assignment/Transfer

All parties to this Agreement hereby acknowledge that the rights and claims of the Issuer which constitute the assignable Related Collateral and which have arisen under contracts and agreements between the Issuer and the parties hereto and which are owed by such parties, are assigned and/or transferred to the Transaction Security Trustee and that the Issuer is entitled to continue to exercise and collect such rights and claims only in accordance with the provisions of and subject to the restrictions contained in this Agreement. For the avoidance of doubt, upon notification to any party hereto by the Transaction Security Trustee in respect of the occurrence of an Issuer Event of Default, the Transaction Security Trustee shall be entitled to exercise the rights of the Issuer under the Transaction

Documents referred to in Clause 5.1(a) to 5.1(i), including, without limitation, the right to give instructions to each such party pursuant to the relevant Transaction Document and each party hereto agrees to be bound by such instructions of the Transaction Security Trustee given pursuant to the relevant Transaction Document to which such party is a party.

5.7 **Non-transferable Related Collateral**

If and to the extent that a Related Collateral is not assignable and transferrable for what reason so ever, such Related Collateral is held fiducially (*treuhänderisch*) for account and on behalf of the Issuer by the Seller and shall be held for account and on behalf of the Transaction Security Trustee by the Seller for the security purposes set out in Clause 7 with the priority effect against the Issuer. The regulations of the Agreement which refer to the assignment and transfer of Related Collateral apply to such non-transferable and assignable Related Collateral correspondingly. The Issuer, the Seller and the Transaction Security Trustee agree to the agreement relating to non-transferable Related Collateral.

6. **PLEDGE**

The Issuer hereby pledges (*Verpfändung*) to the Transaction Security Trustee all its present and future claims against the Transaction Security Trustee arising under this Agreement as well as its present and future claims under the Accounts as well as its present and future claims under the Accounts Agreement, which have not yet been assigned or transferred for security purposes under Clause 5.1. The Issuer hereby gives notice to the Transaction Security Trustee of such pledge and the Transaction Security Trustee hereby confirms receipt of such notice. The Transaction Security Trustee is under no obligation to enforce any claims of the Issuer against the Transaction Security Trustee pledged to the Transaction Security Trustee pursuant to this Clause 6. The Issuer hereby gives notice to the Account Bank on the pledge of the Accounts and the Account Bank hereby acknowledges the receipt of such notice.

The parties to this Agreement acknowledge that the Account Bank has agreed to waive certain of its rights with respect to the Accounts, including its first ranking lien over the Accounts and the Account Bank's set-off rights, by a separate account agreement to be entered into by, *inter alia*, the Account Bank, the Transaction Security Trustee and the Issuer, on the date hereof.

7. **SECURITY PURPOSE**

The assignment and transfer for security purposes of rights and claims pursuant to Clause 5 (*Transfer for Security Purposes of the Assigned Security*) and the pledge pursuant to Clause 6 (*Pledge*) (and the Assigned Security together with such pledges are referred to herein as the "**Collateral**") serve to secure the Transaction Security Trustee Claim.

In addition, the transfer for security purposes of the Collateral is made for the purpose of securing the due payment and performance by the Issuer of any and all obligations (present and future, actual and contingent) which are (or are expressed to be) or become owing

by the Issuer to the Noteholders under the Notes and the other Beneficiaries or any of them (including any future Beneficiary following a transfer or assignment, accession, assumption of contract (*Vertragsübernahme*) or novation of certain rights and obligations in accordance with the relevant provision of the relevant current or future Transaction Documents (other than the Funding Loan Agreement)) under or in connection with any of the Transaction Documents (other than the Funding Loan Agreement), as each may be amended, novated, supplemented or extended from time to time (the "**Transaction Secured Obligations**"), and which Transaction Secured Obligations shall, for the avoidance of doubt, include, without limitation, (i) any fees to be paid by the Issuer to any Beneficiary in connection with the Transaction Documents (other than the Funding Loan Agreement) irrespective of whether such fees are agreed or determined in such Transaction Documents or in any fee arrangement relating thereto, (ii) any obligations incurred by the Issuer on, as a consequence of or after the opening of any insolvency proceedings and (iii) any potential obligations on the grounds of any invalidity or unenforceability of any of the Transaction Documents (other than the Funding Loan Agreement), in particular claims on the grounds of unjustified enrichment (*ungerechtfertigter Bereicherung*).

8. **COLLECTION AUTHORISATION; FURTHER TRANSFER**

8.1 **Collection Authorisation**

- (a) The Issuer shall be authorised (*ermächtigt*) to collect or, have collected in the ordinary course of business or otherwise exercise or deal with (which term shall, for the avoidance of doubt, include the enforcement of any security) the rights transferred for security purposes under Clause 5 (*Transfer for Security Purposes of the Assigned Security*) and the rights pledged pursuant to Clause 6 (*Pledge*).
- (b) Without affecting the generality of paragraph (a), it is hereby agreed that the Transaction Security Trustee consents to the assignments, transfers and/or releases by the Issuer (or by the Servicer on behalf of the Issuer) of Purchased Receivables and Related Collateral to any third party in accordance with the Credit and Collection Policy and the release by the Servicer of any Related Collateral in accordance with the Receivables Purchase Agreement and/or the Servicing Agreement.
- (c) The authority and consents provided in paragraphs (a) and (b) above, are deemed to be granted only to the extent that the Transaction Security Trustee procures that the obligations of the Issuer are fulfilled in accordance with the Pre-Enforcement Priority of Payments, Condition 7.1 (*Amortisation*) of the Terms and Conditions and the requirements under this Agreement.
- (d) The authority and consents contained in paragraphs (a) and (b) may be revoked by the Transaction Security Trustee if, in the Transaction Security Trustee's opinion, such revocation is necessary in order to avoid an adverse effect on the Collateral or their value which the Transaction Security Trustee considers material, and the Transaction Security Trustee gives notice thereof to the Issuer and the Seller. The authority and consents contained in paragraphs (a) and (b) shall automatically terminate upon the occurrence of an Issuer Event of Default, but with respect to the

Servicer and the Seller only upon notice thereof to the Seller and the Servicer (as the case may be).

8.2 **Transfer Authorisation**

The Transaction Security Trustee shall be authorised to transfer the Assigned Security in the event that the Transaction Security Trustee is replaced and the Collateral is to be transferred to the new Transaction Security Trustee pursuant to Clauses 32.1 (*Resignation*) and 34.1 (*Transfer of Collateral*). In any event the Issuer shall be entitled to retain an amount of up to EUR 500 in each calendar year for its free disposal from the Collateral.

9. **ENFORCEABILITY**

The Collateral shall be enforced upon an Issuer Event of Default in accordance with Clause 19 (*Enforcement of Collateral*).

10. **RELEASE OF COLLATERAL**

As soon as the Transaction Security Trustee is satisfied that the Issuer has fully performed all obligations secured by this Agreement and to the extent the Collateral has not been previously released pursuant to this Agreement, the Transaction Security Trustee shall promptly transfer back to the Issuer or to the Issuer's order the Collateral transferred to it under this Agreement. The Transaction Security Trustee will however comply with mandatory statutory collateral release obligations.

11. **REPRESENTATIONS OF THE ISSUER WITH RESPECT TO COLLATERAL, COVENANTS**

11.1 The Issuer hereby represents and warrants to and covenants with the Transaction Security Trustee that it has (and will have, insofar as future rights and claims are concerned) full and unaffected title to the Collateral and any related security thereto which is assigned, transferred or pledged hereby and that such Collateral and such related security is (and will be insofar as future rights and claims are concerned) free and clear from any encumbrances and adverse rights and claims of any third parties, always subject only to the rights and encumbrances created under this Agreement.

11.2 The Issuer shall be liable (without prejudice to Clause 44 (*No Liability and No Right to Petition and Limitation on Payments*)) to pay damages (*Schadensersatz wegen Nichterfüllung*) in the event that any Collateral transferred for security purposes in accordance with this Agreement proves to be invalid or if the transfer itself proves to be invalid.

11.3 The Issuer hereby covenants with the Transaction Security Trustee to notify the Transaction Security Trustee of the issue of any Notes within 10 (ten) Business Days from the date of issue thereof by way of notice in substantially the form set out in Schedule 1 (*Form of Note Identification Notice*) to this Agreement.

11.4 All parties to the Agreement shall obtain and keep all required licenses, approvals, authorisations and consents which are necessary or desirable in connection with the per-

formance of the Agreement and procure that any of their agents obtains and maintain any such license.

12. REPRESENTATIONS AND WARRANTIES OF THE BENEFICIARIES

- 12.1 The Transaction Security Trustee hereby represents to the Issuer that it has the legal capacity, is in a position to perform and has obtained all authorisations and licences required for the performance of its duties and obligations hereunder in accordance with the provisions of this Agreement and the other Transaction Security Documents and that, at the time of concluding this Agreement, it does not, to the best of its knowledge, see actual or foreseeable grounds for terminating this Agreement pursuant to Clauses 32 (*Resignation*) or 33 (*Replacement of Transaction Security Trustee*).
- 12.2 The Transaction Security Trustee hereby represents to the Issuer that it has its "centre of main interests" at the place of its incorporation and that it does not have an "establishment" other than at the place of its incorporation, as such terms are used by Council Regulation (EC) No. 1346/2000 of 29 May 2000 on Insolvency Procedures.
- 12.3 It is hereby agreed (without prejudice to the other provisions of this Agreement, and in particular Clauses 33 (*Replacement of Transaction Security Trustee*) and 34.1 (*Transfer of Collateral*) hereof) that, in the event that any grounds for terminating the appointment of the Transaction Security Trustee under this Agreement pursuant to Clauses 32 (*Resignation*) or 33 (*Replacement of Transaction Security Trustee*) exist or come into existence, or if the Transaction Security Trustee does not possess any authorisation, registration or licence which is required for the performance of its duties and obligations hereunder, the Transaction Security Trustee shall, without undue delay remedy any such grounds, obtain such authorisations, registrations and licences (provided, for the avoidance of doubt, that the Transaction Security Trustee shall not be obliged to obtain any registration under the German Act on Legal Services (*Rechtsdienstleistungsgesetz*) to the extent that the Transaction Security Trustee delegates the performance of its duties and obligations to duly registered agents in accordance with Clause 26 and a registration is not required in the case of such delegation under applicable law), and any other obligations of the Transaction Security Trustee and the other provisions of this Agreement shall not be affected by the Transaction Security Trustee failing to remedy such grounds or to have obtained such authorisations, registrations or licences.
- 12.4 Each Beneficiary who is a party to this Agreement hereby represents and warrants, that, as of the date of execution of this Agreement, it has the corporate power and the authority to enter into this Agreement and that all necessary corporate action has been taken and the validity and enforceability of this Agreement is not subject to any restriction of any kind, consent or other requirement or condition, that has not been satisfied as of the date of execution of this Agreement.

13. RECEIPT AND CUSTODY OF DOCUMENTS; NOTICES

13.1 The Transaction Security Trustee shall take delivery of and keep in custody the documents which are delivered to it under the Transaction Documents (if any) and shall:

- (a) keep such documents for one year after the termination of this Agreement; or
- (b) forward the documents to the new Transaction Security Trustee if the Transaction Security Trustee is replaced in accordance with Clauses 33 (*Replacement of Transaction Security Trustee*) and 34 (*Transfer of Collateral*) hereof.

13.2 In the event that the Transaction Security Trustee becomes aware of any variations in writing of the Transaction Documents, it shall immediately give notice thereof to the Rating Agencies.

14. ACCOUNTS TERMINATION

14.1 Accounts Termination

Each Account has been opened by the Issuer in accordance with the Accounts Agreement with the Account Bank. The Issuer, acting together with the Transaction Security Trustee, shall terminate the account relationship with the Account Bank within 30 (thirty) calendar days after a Account Bank Downgrade has occurred. The Account Bank hereby agrees to promptly give written notice to the Issuer and the Transaction Security Trustee of any such Account Bank Downgrade.

14.2 Successor Bank

- (a) Should the account relationship with the Account Bank be terminated by the Account Bank, the Issuer (acting through the Corporate Administrator) or the Transaction Security Trustee or for any other reason or should insolvency or bankruptcy or similar proceedings be commenced with respect to the Issuer, the Issuer shall promptly inform the Transaction Security Trustee of such termination or such proceedings. The Issuer (acting through the Corporate Administrator) or in case of such proceedings, the Transaction Security Trustee (acting in its own name but for the account of and as trustee for the Beneficiaries), shall then open an account with another bank ("**Successor Bank**") on conditions as close as possible to those previously agreed. The Account Bank shall not cease to operate any Account hereunder (except for the event where the Account Bank is (i) over-indebted (*überschuldet*), unable to pay its debts when they fall due (*zahlungsunfähig*) or such status is imminent (*drohende Zahlungsunfähigkeit*) or (ii) intends to commence insolvency (including preliminary insolvency proceedings) or reorganisation proceedings or is subject to insolvency (including preliminary insolvency proceedings) or dissolution proceedings, or if any measures under Section 45, 46 to 47 of the German Banking Act (*Gesetz über das Kreditwesen*) are taken in respect of the Account Bank) unless and until the Issuer acting together with the Transaction Security Trustee has appointed the Successor Bank and any and all amounts credited to the Transaction Account (including, for the avoidance of doubt, the Re-

serve Fund), any and all amounts credited to the Commingling Reserve Account, any and all amounts credited to the Set-Off Reserve Account and any and all amounts credited to the Purchase Shortfall Account have been transferred to that Successor Bank on the new corresponding accounts in accordance with this Clause 14.2 and security has been created in such accounts and in relation to the credits standing thereto from time to time as contemplated by this Agreement. The Successor Bank shall be a bank whose ratings are rated at least the Account Bank Required Rating. The Issuer (acting through the Corporate Administrator) shall enter into a new account agreement (or agreements) with the Successor Bank and the Transaction Security Trustee as contracting parties and any and all amounts credited to the Transaction Account (including for the avoidance of doubt, the Reserve Fund), the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account shall be transferred to such new account, at no cost to the Issuer. In case of commencement of insolvency or bankruptcy or similar proceedings with respect to the Issuer such account agreement shall be entered into between the Transaction Security Trustee and the Successor Bank (and any and all references to "**Transaction Account**", "**Commingling Reserve Account**", "**Set-Off Reserve Account**", "**Purchase Shortfall Account**" and any other Account shall in each case then be read as references to such account). The new account agreement(s) shall provide for the Successor Bank to undertake to promptly notify the other contracting parties of any Account Bank Downgrade.

- (b) If accounts replacing the Accounts have been opened with a Successor Bank and an Account Bank Downgrade has occurred with respect to such Successor Bank, then within 30 calendar days of such Account Bank Downgrade, the Issuer (acting through the Corporate Administrator) or (as the case may be) the Transaction Security Trustee shall open another account with another Successor Bank in accordance with the procedure set out in Clause 14.2(a) and terminate the account with the previous Successor Bank.

15. **CONSENT OF THE TRANSACTION SECURITY TRUSTEE**

If the Issuer requests that the Transaction Security Trustee grants its consent pursuant to Clause 39 (*Actions of the Issuer Requiring Consent*) hereof, the Transaction Security Trustee may grant or withhold the requested consent at its discretion taking into account what the Transaction Security Trustee believes to be the interests of the Beneficiaries, giving due regard to the provisions of Clause 3.1 (*Position of the Transaction Security Trustee in Relation to the Beneficiaries*). In any event, the Transaction Security Trustee shall give such consent if (regardless of whether the relevant action could, in the professional judgement of the Transaction Security Trustee, be materially prejudicial (*wesentlich nachteilig*) to the Beneficiaries) (i) the Transaction Security Trustee or the Issuer has notified each Rating Agency of such proposed action and (ii) one or more Noteholders representing at least 66 2/3 % of the then outstanding Class Principal Amount of the most senior outstanding Class of Notes (or, if no Notes remain outstanding, one or more Beneficiaries representing 51 % of the then outstanding aggregate amount owed to all Beneficiaries) have given their consent to such action, it being understood that the Transaction Secu-

rity Trustee shall have no obligation to request such confirmation nor to make such notification.

16. **BREACH OF OBLIGATIONS BY THE ISSUER**

16.1 If the Transaction Security Trustee in the course of its activities obtains knowledge that the existence or the value of the Collateral is at risk due to any failure of the Issuer properly to discharge its obligations under this Agreement or the other Transaction Documents (other than the Funding Loan Agreement) to which it is a party, the Transaction Security Trustee shall, at its discretion and subject to Clause 16.2 below, take or initiate all actions which in the opinion of the Transaction Security Trustee are desirable or expedient to avert such risk. To the extent that the Issuer, in the opinion of the Transaction Security Trustee, does not duly discharge its obligations pursuant to Clause 34 (*Transfer of Collateral*) in respect of the Collateral, the Transaction Security Trustee shall in particular be authorised and obliged to exercise all rights arising under the relevant Transaction Documents on behalf of the Issuer.

16.2 The Transaction Security Trustee shall only be obliged to intervene in accordance with Clause 16.1 if, and to the extent that, it is satisfied that it will be fully indemnified and/or secured (either by reimbursement of costs, its ranking under the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments (as applicable) or in any other way it deems appropriate) against all costs and expenses resulting from its activities (including fees for retaining counsel, banks, auditors or other experts as well as the expenses of retaining third parties to perform certain duties) and against all liabilities (except for liabilities which arise from its own negligence, wilful misconduct or fraud), obligations and attempts to bring any action in or outside court. Clause 35 (*Standard of Care for Liability*) shall remain unaffected.

17. **FURTHER OBLIGATIONS**

17.1 The Transaction Security Trustee shall perform its tasks and obligations under the other Transaction Documents to which it is a party in accordance with this Agreement.

17.2 The Transaction Security Trustee shall, unless otherwise provided for under this Agreement, decide on any consents or approvals to be given by it pursuant to the other Transaction Documents in its reasonable discretion in accordance with this Agreement (in particular Clause 36 (*General*) hereof).

17.3 The Transaction Security Trustee hereby authorises the Issuer to re-assign any Purchased Receivables (or the affected portion thereof) and any Related Collateral relating thereto to the Seller in relation to which the Purchaser has received a Deemed Collection pursuant to Clause 15.1 (*Deemed Collections*) of the Receivables Purchase Agreement.

18. **Power of Attorney**

The Issuer hereby grants the Transaction Security Trustee power of attorney, waiving the restrictions of Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) and any

similar restrictions under the laws of any other countries, with the right to grant substitute power of attorney, to act in the name of the Issuer with respect to all rights of the Issuer arising under the Transaction Documents to which it is a party (except for the rights vis-à-vis the Transaction Security Trustee). Such power of attorney shall be irrevocable. It shall expire as soon as a new Transaction Security Trustee has been appointed pursuant to Clauses 32 (*Resignation*) and 33 (*Replacement of Transaction Security Trustee*) and the Issuer has issued a power of attorney to such new Transaction Security Trustee having the same contents as the power of attorney previously granted in accordance with the provisions of this Clause 18. The Transaction Security Trustee shall only act under this power of attorney in relation to the exercise of its rights and obligations under this Agreement.

19. ENFORCEMENT OF COLLATERAL

19.1 Issuer Event of Default

The Collateral shall be subject to enforcement upon the occurrence of an Issuer Event of Default. The Transaction Security Trustee shall promptly, upon obtaining knowledge of an Issuer Event of Default, give notice thereof to the Noteholders pursuant to Clause 19.3 (*Notifications*) and the Rating Agencies pursuant to Clause 41 (*Notices*).

19.2 Enforcement of Collateral

Upon being notified by any person of the occurrence of an Issuer Event of Default, the Transaction Security Trustee shall subject to it being indemnified and/or secured to its satisfaction enforce or cause enforcement of the Collateral in a manner determined at its reasonable discretion, subject to Clause 19.3 (*Notification*) and Clause 30 (*Right to Indemnification*).

19.3 Notification

Within 15 (fifteen) calendar days of the Transaction Security Trustee's obtaining knowledge of the occurrence of an Issuer Event of Default, the Transaction Security Trustee shall give notice to the Noteholders and the other Beneficiaries pursuant to Clause 41.3 (*Notices*), specifying the manner in which it intends to enforce the Collateral (in particular, whether it intends to sell the Collateral) and apply the proceeds from such enforcement to satisfy the obligations of the Issuer, subject to the Post-Enforcement Priority of Payments (as such term is defined in Clause 23 (*Post-Enforcement Priority of Payments*)). If, within 30 (thirty) calendar days of the publication of such notice, the Transaction Security Trustee receives written notice (i) from one or more Class A Noteholders representing at least 51% of the outstanding Class A Principal Amount, (ii) if no Class A Notes are outstanding from one or more Class B Noteholders representing at least 51% of the outstanding Class B Principal Amount, or (iii) if no Notes remain outstanding, from any other Beneficiary or Beneficiaries representing at least 51% of the aggregate outstanding amount owed to all Beneficiaries, objecting to the action proposed in the Transaction Security Trustee's notice, the Transaction Security Trustee shall not undertake such action. In the event that (i) the Class A Noteholders, (ii) if no Class A Notes are outstanding, the Class B Noteholders, or (iii) if no Notes remain outstanding, the other Beneficiaries representing at least

51% of the aggregate outstanding amount owed to all Beneficiaries have notified such objection to the Transaction Security Trustee, and (i) one or more Class A Noteholders representing at least 51% of the outstanding Class A Principal Amount, (ii) if no Class A Notes are outstanding, one or more Class B Noteholders representing at least 51% of the outstanding Class B Principal Amount, or (iii) if no Notes remain outstanding, any other Beneficiary or Beneficiaries representing at least 51 % of the aggregate outstanding amount owed to all Beneficiaries, have not proposed (either together with such objection or within 30 (thirty) calendar days thereafter) to the Transaction Security Trustee an alternative action or have instructed the Transaction Security Trustee to propose alternative action, the Transaction Security Trustee shall be free to decide in its own discretion whether and what action to take *provided that* such action has not previously been objected to as herein contemplated. If the Transaction Security Trustee receives a written notice (i) from one or more Class A Noteholders representing at least 51% of the Class A Principal Amount or (ii) if no Class A Notes are outstanding, from one or more Class B Noteholders representing at least 51 % of the Class B Principal Amount, or (iii) if no Notes remain outstanding, from any other Beneficiary or Beneficiaries representing at least 51 % of the aggregate outstanding amount owed to all Beneficiaries, proposing a manner to enforce the Collateral, the Transaction Security Trustee shall undertake such action. The Transaction Security Trustee shall, however, not be obliged to undertake any action under this Clause 19.3 other than notification of the Noteholders of the occurrence of an Issuer Event of Default if (and as long as) it has requested from the Class A Noteholders, the Class B Noteholders or the other Beneficiaries (as the case may be) requesting such action an undertaking for full indemnification of the Transaction Security Trustee against any damages, losses, costs and expenses which might arise from such action and no such undertaking has been granted to it.

20. **PAYMENTS UPON OCCURRENCE OF AN ISSUER EVENT OF DEFAULT**

Upon the occurrence of an Issuer Event of Default:

- (a) The Collateral may be exercised, collected, claimed and enforced exclusively by the Transaction Security Trustee.
- (b) The Transaction Security Trustee shall deposit the proceeds of any enforcement which it receives in the Transaction Account held in the name of the Issuer in a Transaction Account the Transaction Security Trustee has opened in its own name and which is held by the Transaction Security Trustee as a trust account (*Treuhandkonto*) for the benefit of the Noteholders and the other Beneficiaries in accordance with Clause 14 above.
- (c) Payments on the obligations of the Issuer may not be made as long as, in the opinion of the Transaction Security Trustee, there is a risk that such payment will jeopardise the fulfilment of any later maturing obligation of the Issuer ranking with senior priority pursuant to and in accordance with the Post-Enforcement Priority of Payments (as such term is defined in Clause 23.2 (*Post-Enforcement Priority of Payments*)).

- (d) The Transaction Security Trustee shall make payments out of the proceeds of any enforcement of Collateral in accordance with Clause 23.2 (*Post-Enforcement Priority of Payments*).
- (e) Subject to the Post-Enforcement Priority of Payments, after all Transaction Secured Obligations have been satisfied in full, the Transaction Security Trustee shall pay out any remaining amounts to the Issuer.

21. CONTINUING DUTIES

For the avoidance of doubt and without affecting general applicable law with respect to any continuing effect of any other provisions of this Agreement, it is hereby agreed that Clauses 13 to 18 shall continue to apply after the occurrence of an Issuer Event of Default.

22. ACCOUNTS

- 22.1 The Transaction Account of the Issuer set up and maintained pursuant to the Accounts Agreement and this Agreement shall be used for receipt of amounts relating to the Transaction Documents and for the fulfilment of the payment obligations of the Issuer. The Commingling Reserve Account of the Issuer set up and maintained pursuant to the Accounts Agreement shall be reserved for any Commingling Reserve Amount which is transferred to the Issuer by the Seller following the occurrence of a Commingling Reserve Trigger Event. The Set-Off Reserve Account of the Issuer set up and maintained pursuant to the Accounts Agreement shall be reserved for any Set-Off Reserve Amount which is transferred to the Issuer by the Seller following the occurrence of a Set-Off Reserve Trigger Event. The Purchase Shortfall Account of the Issuer set up and maintained pursuant to the Accounts Agreement shall be reserved for any Purchase Shortfall Amount which is transferred to the Issuer by the Seller following the occurrence of a Purchase Shortfall Event.
- 22.2 The Issuer shall ensure that all payments made to the Issuer be made by way of a bank transfer to or deposit in the Transaction Account or, in case of a transfer of the Commingling Reserve Amount, to the Commingling Reserve Account or, in case of a transfer of the Set-Off Reserve Amount, to the Set-Off Reserve Account or, in case of a transfer of the Purchase Shortfall Amount, to the Purchase Shortfall Account. Should any amounts payable to the Issuer be paid in any way other than by deposit or bank transfer to the Transaction Account or, in case of the Commingling Reserve Amount, to the Commingling Reserve Account or, in case of the Set-Off Reserve Amount, to the Set-Off Reserve Account or, in case of the Purchase Shortfall Amount, to the Purchase Shortfall Account, the Issuer shall promptly credit such amounts to the Transaction Account. The Pre-Enforcement Priority of Payments and the Post-Enforcement Priority of Payments set out in Clause 23 (*Post-Enforcement Priority of Payments*) shall remain unaffected.
- 22.3 The Issuer shall not open any new bank account in addition to or as a replacement of, the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account or the Purchase Shortfall Account specified by reference in Clause 1.2 of the Receivables Purchase Agreement, unless it has assigned and pledged any and all rights relating thereto

to the Transaction Security Trustee in accordance with this Agreement, and only after having obtained the consent of the Transaction Security Trustee in accordance with this Agreement. For the avoidance of doubt, upon notification to the Account Bank by the Transaction Security Trustee in respect of the occurrence an Issuer Event of Default, the Transaction Security Trustee shall be entitled to exercise the rights of the Issuer under the Accounts Agreement assigned to the Transaction Security Trustee in accordance with this Agreement, including, without limitation, the right to give instructions to the Account Bank pursuant to the Accounts Agreement.

23. **POST-ENFORCEMENT PRIORITY OF PAYMENTS**

23.1 Upon the occurrence of an Issuer Event of Default and prior to the full discharge of all Transaction Secured Obligations, any credit (other than (i) any Transaction Cost Fee; (ii) any interest earned on any balance credited to the Commingling Reserve Account; and (iii) any interest earned on any balance credited to the Set-Off Reserve Account) on the Transaction Account, on the Commingling Reserve Account, on the Set-Off Reserve Account and on the Purchase Shortfall Account (including, for the avoidance of doubt, any account of the Transaction Security Trustee opened in accordance with Clause 14 (*Accounts Termination*)) and any proceeds obtained from the enforcement of the Collateral in accordance with Clause 19 (*Enforcement of Collateral*) (together, the "**Credit**") shall be applied exclusively in accordance with the post-enforcement priority of payments ("**Post-Enforcement Priority of Payments**") set out in Clause 23.2 (*Post-Enforcement Priority of Payments*).

23.2 Upon the occurrence of an Issuer Event of Default, on any Payment Date any Credit shall be applied in the following order towards fulfilling the payment obligations of the Issuer, in each case to the extent payments of a higher priority have been made in full:

first, to pay any obligation of the Issuer with respect to tax under any applicable law (if any);

second, to pay any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due to the Transaction Security Trustee under the Transaction Documents;

third, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due to the Corporate Administrator under the Corporate Administration Agreement, the Data Trustee under the Data Trust Agreement or the Account Bank under the Accounts Agreement, any amounts due and payable by the Issuer in connection with the establishment of the Issuer, and any other amounts due and payable or which are expected to fall due and payable by the Issuer in connection with the liquidation or dissolution (if applicable) of the Issuer or any other fees, costs and expenses, and a reserved profit of the Issuer of up to EUR 500 annually;

fourth, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due to the directors of the Issuer

(properly incurred with respect to their duties), legal advisers or auditors of the Issuer, the Rating Agency (including any ongoing monitoring fees), the Principal Paying Agent, the Calculation Agent and the Cash Manager under the Agency Agreement, the relevant stock exchange on which the Notes may be listed, any listing agent, any intermediary between the Issuer, the Noteholders and the relevant stock exchange, the Common Safekeeper or any other relevant party with respect to the issue of the Notes;

fifth, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due to the Servicer under the Servicing Agreement or otherwise, and any such amounts due to any substitute servicer (including any expenses, costs and fees incurred in the course of replacement) for the Purchased Receivables and the Related Collateral which may be appointed from time to time in accordance with the Receivables Purchase Agreement or the Servicing Agreement and any such costs and expenses incurred by the Issuer itself in the event that the Issuer collects and/or services the Purchased Receivables or the Related Collateral;

sixth, to pay Class A Notes Interest due on such Payment Date, *pro rata* on each Class A Note;

seventh, to pay any Class A Notes Principal as of such Payment Date, *pro rata* on each Class A Note;

eighth, after the Class A Notes have been redeemed in full, to pay Class B Notes Interest due on such Payment Date, *pro rata* on each Class B Note;

ninth, to pay any Class B Notes Principal as of such Payment Date, *pro rata* on each Class B Note;

tenth, to pay interest (including accrued interest) due under the Subordinated Loan Agreement;

eleventh, to pay any amounts owed by the Issuer to the Seller under the Receivables Purchase Agreement in respect of (i) any valid return of a direct debit (*Lastschriftrückbelastung*) to the extent such returns do not reduce the Collections for the Collection Period ending on the Cut-Off Date immediately preceding such Payment Date), (ii) any tax credit, relief, remission or repayment received by the Issuer on account of any tax or additional amount paid by the Seller or (iii) any Deemed Collection paid by the Seller for a Disputed Receivable which proves subsequently with *res judicata* (*rechtskräftig festgestellt*) to be an enforceable Purchased Receivable, or otherwise (including, for the avoidance of doubt, any claims of the Seller against the Issuer for breach of obligation) under the Receivables Purchase Agreement or other Transaction Documents;

twelfth, to repay outstanding principal under the Subordinated Loan Agreement; and

thirteenth, to pay any remaining amount to the Seller,

provided that any payment to be made by the Issuer under items *first* to *fifth* (inclusive) with respect to taxes shall be made on the Business Day on which such payment is then due and payable using the Credit.

24. **RELATIONSHIP TO THIRD PARTIES**

24.1 In relation to the Collateral, the Post-Enforcement Priority of Payments shall, subject to applicable law, be binding on all creditors of the Issuer which are parties to this Agreement, *provided that* in relation to any other assets of the Issuer, the Post-Enforcement Priority of Payments shall only apply internally between the Beneficiaries, the Transaction Security Trustee and the Issuer; in respect of third party relationships, the rights of the Beneficiaries and the Transaction Security Trustee shall have equal rank to those of third party creditors of the Issuer.

24.2 The Post-Enforcement Priority of Payments shall also apply if the Transaction Secured Obligations are transferred to third parties by way of assignment, subrogation into a contract or otherwise.

25. **OVERPAYMENT**

All payments to Beneficiaries shall be subject to the condition that, if a payment is made to a creditor in breach of the Post-Enforcement Priority of Payments, such creditor shall re-pay the amount so received to the Transaction Security Trustee by payment to the Transaction Account (including any account established by the Transaction Security Trustee in accordance with Clause 14 (*Accounts Termination*) hereof). The Transaction Security Trustee shall then pay out the monies so received in the way that they were payable in accordance with the Post-Enforcement Priority of Payments on the relevant Payment Date. If such overpayment is not repaid by the Payment Date following the overpayment or if the claim to repayment is not enforceable, the Transaction Security Trustee is authorised and obliged to make payments in such a way that any over- or under-payments made in breach of Clause 23.2 (*Post-Enforcement Priority of Payments*) are set off by correspondingly decreased or increased payments on such Payment Date (and, to the extent necessary, on all subsequent Payment Dates).

26. **RETAINING THIRD PARTIES**

26.1 In individual instances, the Transaction Security Trustee may, at market prices (if appropriate, after obtaining several offers), retain the services of a suitable law firm, accounting firm, credit institution and other experts or seek information and advice from legal counsel, financial consultants, banks and other experts in the Federal Republic of Germany or elsewhere (and irrespective of whether such persons are already retained by the Transaction Security Trustee, the Issuer, a Beneficiary, or any other person involved in the transactions in connection with the Transaction Documents), to assist it in performing the duties assigned to it under this Agreement and the other Transaction Security Documents, and/or by delegating the entire or partial performance of the following duties:

- (a) the taking of specific measures under Clause 16 (*Breach of Obligations by the Issuer*), particularly the enforcement of certain claims of the Issuer or any Beneficiary;
- (b) enforcement of Collateral pursuant to Clause 19.2 (*Enforcement of Collateral*);

- (c) the settlement of payments under Clause 20 (*Payments upon Occurrence of an Issuer Event of Default*);
- (d) the settlement of over-payments under Clause 25 (*Overpayment*);
- (e) any other duty of the Transaction Security Trustee under this Agreement and the other Transaction Security Documents if the delegation of the entire or partial performance of such duty is not, in the discretion of the Transaction Security Trustee, subject to Clause 3.1 (*Position of Transaction Security Trustee in Relation to Beneficiaries*) materially prejudicial to the interests of the Beneficiaries.

Any fees, costs, charges and expenses, indemnity claims and any other amounts payable by the Transaction Security Trustee to such third parties or advisers shall be reimbursed by the Issuer.

26.2

- (a) Subject to Clause 26.2(b), the Transaction Security Trustee may rely on such third parties and any information and advice obtained therefrom without having to make its own investigations. The Transaction Security Trustee shall not be liable for any wilful misconduct or negligence of such persons (*Vorsatz und Fahrlässigkeit*).
- (b) The Transaction Security Trustee shall be liable for any damages or losses caused by it relying on such third parties or acting in reliance on information or advice of such advisers only in accordance with Clause 35 (*Standard of Care for Liability*) with respect to the selection and supervision of such third parties.

26.3 The Transaction Security Trustee may sub-contract or delegate the performance of some (but not all) of its obligations other than those referred to in Clause 26.1 *provided that* the Transaction Security Trustee shall not thereby be released or discharged from and shall remain responsible for the performance of such obligations and the performance or non-performance, and the manner of performance, of any subcontractor or delegate of any of such delegated obligations shall not affect the Transaction Security Trustee's obligations. Any breach in the performance of the delegated obligations by such sub-contractor or delegate shall not be treated as a breach of obligation by the Transaction Security Trustee pursuant to Section 278 of the German Civil Code (*Bürgerliches Gesetzbuch*); however, the Transaction Security Trustee shall remain liable for diligently selecting and supervising such subcontractors and delegates in accordance with Clause 35 (*Standard of Care for Liability*) hereof.

26.4 The Transaction Security Trustee shall promptly notify in writing the Rating Agencies of every retainer of a third party made pursuant to this Clause 26 (such notice to include the name of the third party).

27. REPRESENTATIONS AND WARRANTIES OF THE ISSUER

The Issuer hereby represents and warrants that, at the date hereof:

- (a) it is a company duly incorporated under the laws of Germany with power to enter into this Agreement and each other document and agreement relating hereto and to

- exercise its rights and perform its obligations hereunder and thereunder and all corporate and other action required to authorise the execution of and the performance by the Issuer of its obligations hereunder and thereunder has been duly taken;
- (b) under the laws of Germany in force at the date hereof, it will not be required to make any deduction or withholding from any payment it may make under this Agreement or any other document or agreement relating thereto to which it is expressed to be a party;
 - (c) in any proceedings taken in Germany in relation to all or any of this Agreement and each other document and agreement relating hereto it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process;
 - (d) all acts, conditions and things required to be done, fulfilled and performed in order (i) to enable it lawfully to enter into, exercise its rights under and perform and comply with the obligations expressed to be assumed by it in this Agreement and each other document and agreement relating hereto and (ii) to ensure that the obligations expressed to be assumed by it herein and therein are legal, valid and binding have been done, fulfilled and performed;
 - (e) under the laws of Germany in force at the date hereof the obligations expressed to be assumed by it in this Agreement and each other document and agreement relating hereto are legal and valid obligations binding on it in accordance with the terms hereof and thereof save as the same may be limited by the bankruptcy, insolvency or other similar laws of general application;
 - (f) it has not taken any corporate action nor have any other steps been taken or legal proceedings been started or (to the best of its knowledge and belief) threatened against it for its winding-up, dissolution or re-organisation or for the appointment of a receiver, administrator, administrative receiver, examiner, trustee in bankruptcy, liquidator, sequestrator or similar officer of it or of any or all of its assets or revenues and it is not unable to pay its debts when they fall due;
 - (g) no action or administrative proceeding of or before any court or agency has been started or (to the best of its knowledge and belief) threatened as to which, in its judgement there is a likelihood of an adverse judgment which would have a material adverse effect on its business or financial condition or on its ability to perform its obligations under any of this Agreement or the other documents and agreements relating hereto;
 - (h) save for the Transaction Security Documents it has not created any encumbrance over all or any of its present or future revenues or assets and the execution of this Agreement and each other document and agreement relating hereto and the exercise by it of its rights and performance of its obligations hereunder and thereunder will not result in the existence of nor oblige it to create any encumbrance over all or any of its present or future revenues or assets except as provided therein;

- (i) the execution of this Agreement and each other document and agreement relating hereto and the exercise by it of its rights and performance of its obligations hereunder and thereunder do not constitute and will not result in any breach of any agreement or treaty to which it is a party or which is binding upon it;
- (j) the execution of this Agreement and each other document and agreement relating hereto constitute, and the exercise of its rights and performance of its obligations hereunder and thereunder will constitute, private and commercial acts done and performed for private and commercial purposes;
- (k) no Issuer Event of Default has occurred and is continuing;
- (l) its obligations hereunder were entered into on arm's length terms; and
- (m) it has opened each of the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account with the Account Bank.

28. **FEES**

The Issuer shall pay the Transaction Security Trustee a fee as separately agreed upon between the Issuer and the Transaction Security Trustee in a fee letter dated on or about the date hereof.

29. **REIMBURSEMENT OF EXPENSES**

In addition to the remuneration of the Transaction Security Trustee, the Issuer shall pay all reasonable out-of-pocket costs, charges and expenses (including, without limitation, legal and travelling expenses and fees and expenses of its agents, delegates and advisors) which the Transaction Security Trustee properly incurs in relation to the negotiation, preparation and execution of this Agreement and the other Transaction Documents, any action taken by it under or in relation to this Agreement or any of the other Transaction Documents or any amendment, renewals or waivers made in accordance with the Transaction Documents in respect hereof.

30. **RIGHT TO INDEMNIFICATION**

- 30.1 The Issuer shall indemnify the Transaction Security Trustee in respect of all proceedings (including claims and liabilities in respect of taxes other than on the Transaction Security Trustee's own overall net profits, income or gains and subject to Clause 31.2 (*Taxes*), losses, claims and demands and all costs, charges, expenses, and liabilities to which the Transaction Security Trustee (or any third party pursuant to Clause 26 (*Retaining Third Parties*)) may be or become liable or which may be incurred by the Transaction Security Trustee (or any such third party) in respect of anything done or omitted in relation to this Agreement and any of the other Transaction Documents (other than the Funding Loan Agreement), unless such costs and expenses are incurred by the Transaction Security Trustee due to a breach of the duty of care provided for in Clause 35 (*Standard of Care for Liability*).

For the avoidance of doubt it is hereby agreed that any indemnities shall be owed by the Issuer and that the Transaction Security Trustee has no right of indemnification against the Beneficiaries hereunder unless it has received instruction from any Beneficiary or Beneficiaries (other than the Noteholders) in accordance with Clause 19.3 (*Notification*).

- 30.2 The Transaction Security Trustee shall not be bound to take any action under or in connection with this Agreement or any other Transaction Document or any document executed pursuant to any of them including, without limitation, forming any opinion or employing any agent, unless in all cases, it is fully indemnified and/or secured (including under the Post-Enforcement Priority of Payments), and is reasonably satisfied that the Issuer will be able to honour any indemnity in accordance with the Post-Enforcement Priority of Payments as set out in Clause 23.2 (*Post-Enforcement Priority of Payments*) hereof, against all liabilities, proceedings, claims and demands to which it may be or become liable and all costs, charges and expenses which may be incurred by it in connection with them for which purpose the Transaction Security Trustee may require payment in advance of such liabilities being incurred of an amount which it considers (without prejudice to any further demand) sufficient to indemnify it or security satisfactory to it.

31. TAXES

- 31.1 The Issuer shall bear all stamp duties, transfer taxes and other similar taxes, duties or charges which are imposed in any jurisdiction on or in connection with (i) the creation of, holding of, or enforcement of the Collateral, (ii) any action taken by the Transaction Security Trustee pursuant to the Terms and Conditions of the Notes or the other Transaction Documents, and (iii) the issue of the Notes or the conclusion of Transaction Documents.
- 31.2 All payments of fees and reimbursements of expenses to the Transaction Security Trustee shall include any turnover taxes, value added taxes or similar taxes, other than taxes on the Transaction Security Trustee's net profits, overall income or gains, which are imposed in the future on the services of the Transaction Security Trustee under the Transaction Documents.

32. RESIGNATION

32.1 Resignation

The Transaction Security Trustee may resign from its office as Transaction Security Trustee at any time by giving two months prior written notice, *provided that* upon or prior to the last Business Day of such notice period a reputable accounting firm or financial institution which is experienced in the business of transaction security trusteeship in the context of securitisations of assets originated in Germany and which has obtained any required authorisations and licences ("**Eligible Institution**") has been appointed by the Issuer as successor ("**New Transaction Security Trustee**") and such appointee assumes all rights and obligations arising from this Agreement, the other Transaction Security Documents and any other Transaction Document to which the Transaction Security Trustee is a party and which has been furnished with all authorities and powers that have been granted to the Transaction Security Trustee. The Transaction Security Trustee shall promptly no-

tify in advance and in writing the Issuer and the Rating Agencies of its intention of resignation. The Issuer shall, upon receipt of the written notice of resignation referred to in the first sentence of this Clause 32.1, promptly appoint an Eligible Institution as New Transaction Security Trustee. The Transaction Security Trustee shall have the right (but no obligation) to nominate a new Transaction Security Trustee for appointment by the Issuer. The Issuer shall have the right to veto any nomination of a New Transaction Security Trustee by the resigning Transaction Security Trustee if such new Transaction Security Trustee is not an Eligible Institution or if any other Eligible Institution has been appointed by the Issuer to be the new Transaction Security Trustee and has accepted such appointment. The proposed appointment of the New Transaction Security Trustee shall further be subject to Clauses 32.2 (*Effects of Resignation*) and 34.4 (*Notification to the Rating Agencies*) below.

32.2 Effects of Resignation

Any termination of the appointment of the Transaction Security Trustee shall not become effective unless (i) the Issuer has been liquidated and the proceeds of liquidation distributed to the Noteholders and the other Beneficiaries in accordance with this Agreement or, if earlier, no obligations under the Notes and the other Transaction Secured Obligations are outstanding, or (ii) a new Transaction Security Trustee has been appointed and has accepted such transaction security trusteeship (subject to Clause 34.4 (*Notification to the Rating Agencies*) below).

32.3 Continuation of Rights and Obligations

Notwithstanding a termination pursuant to Clause 32.1 (*Resignation*), the rights and obligations of the Transaction Security Trustee shall continue until the appointment of the new Transaction Security Trustee has become effective and the assets and rights have been assigned to it pursuant to Clause 34.1 (*Transfer of Collateral*). None of the provisions of this Clause 32 shall affect the right of the Transaction Security Trustee to resign from its office for good cause (*aus wichtigem Grund*) with immediate effect.

33. REPLACEMENT OF TRANSACTION SECURITY TRUSTEE

The Issuer shall be authorised and obliged to replace the Transaction Security Trustee with a reputable accounting firm or financial institution (which is experienced in the business of transaction security trusteeship in securitisation transactions and which has obtained any required authorisations, registrations and licences), if the Issuer has been so instructed in writing by (i) one or more Class A Noteholders representing at least 25% of the outstanding Class A Principal Amount, unless Class A Noteholders representing at least 50% of the outstanding Class A Principal Amount instruct the Issuer not to replace the Transaction Security Trustee, (ii) if no Class A Notes are outstanding, one or more Class B Noteholders representing at least 25% of the outstanding Class B Principal Amount, unless Class B Noteholders representing at least 50% of the outstanding Class B Principal Amount instruct the Issuer not to replace the Transaction Security Trustee or (iii) if no Notes remain outstanding, any Beneficiary or Beneficiaries representing at least 25% of all Beneficiaries to which any amounts are owed, unless Beneficiaries representing at least

50% of all Beneficiaries to which any amounts are owed instruct the Issuer not to replace the Transaction Security Trustee.

Any replacement of the Transaction Security Trustee shall be notified by the Issuer to the Rating Agencies by giving not less than 30 calendar days notice.

34. TRANSFER OF COLLATERAL

34.1 Transfer of Collateral

In the case of a replacement of the Transaction Security Trustee pursuant to Clause 32 (*Resignation*) or Clause 33 (*Replacement of Transaction Security Trustee*), the Transaction Security Trustee shall forthwith transfer the Collateral and other assets and other rights it holds as fiduciary (*Treuhänder*) under any Transaction Security Document, as well as its Transaction Security Trustee Claim under Clause 4 (*Position of Transaction Security Trustee in Relation to the Issuer*) and the pledge granted to it pursuant to Clause 6 (*Pledge*) to the New Transaction Security Trustee. Without prejudice to this obligation, the Issuer shall hereby be irrevocably authorised to effect such transfer on behalf of the Transaction Security Trustee as set out in the first sentence and is for that purpose exempted from the restrictions under Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) and any similar provisions contained in the laws of any other country.

34.2 Assumption of Obligations

In the event of a replacement of the Transaction Security Trustee pursuant to Clause 32 (*Resignation*) or Clause 33 (*Replacement of Transaction Security Trustee*), the Transaction Security Trustee shall reach an agreement with the new Transaction Security Trustee that the new Transaction Security Trustee assumes the obligations of the Transaction Security Trustee's obligations under each Transaction Security Document.

34.3 Costs

The costs incurred in connection with replacing the Transaction Security Trustee pursuant to Clause 32 (*Resignation*) or Clause 33 (*Replacement of Transaction Security Trustee*) shall be borne by the Issuer. If such replacement is due to the conduct of the Transaction Security Trustee constituting good cause (*wichtiger Grund*) for termination, the Issuer shall be entitled, without prejudice to any additional rights, to claim damages from the Transaction Security Trustee in the amount of such costs.

34.4 Notification to the Rating Agencies

The appointment of a new Transaction Security Trustee in accordance with Clause 32 (*Resignation*) or Clause 33 (*Replacement of Transaction Security Trustee*) shall be notified by the Issuer to the Rating Agencies and shall be subject that such appointment would not result in the rating of the Notes being downgraded or withdrawn, unless the Purchaser, the Seller (if different) and the Transaction Security Trustee have consented to such amendment in writing (such consent not to be unreasonably withheld and to be granted if the Rating Agencies have been notified).

34.5 **Accounting**

The Transaction Security Trustee shall be obliged to account to the New Transaction Security Trustee for its activities under or with respect to each Transaction Security Document.

35. **STANDARD OF CARE FOR LIABILITY**

The Transaction Security Trustee shall be liable for any breach of its obligations under this Agreement only if it fails to meet the standard of care it exercises in its own affairs (*Sorgfalt in eigenen Angelegenheiten*) which shall at least be the standard of care of a prudent merchant (*Sorgfalt eines ordentlichen Kaufmanns*).

36. **GENERAL**

- 36.1 The Transaction Security Trustee shall not be liable for: (i) any action or failure to act of the Issuer or of other parties to the Transaction Documents; (ii) the Transaction Documents (including any security interest created there under) not being legal, valid, binding or enforceable, or for the fairness of the provisions of the Transaction Documents; (iii) a loss of documents related to the Collateral not attributable to the negligence of the Transaction Security Trustee; and (iv) in no event shall the Transaction Security Trustee, and/or the Principal Paying Agent and/or the Account Bank be liable for any Losses (i) arising from receiving or transmitting any data from the Issuer, or any Authorised Person via any non-secure method of transmission or communication, such as, but without limitation, by facsimile or email, or (ii) that the Issuer would be able to claim pursuant to section 252 of the German Civil Code (*Bürgerliches Gesetzbuch*). The Issuer accepts that some methods of communication are not secure, and the Account Bank and/or the Principal Paying Agent shall incur no liability for receiving Instructions via any such non-secure method. The Account Bank and/or the Principal Paying Agent are authorised to comply with and rely upon any such notice, instructions or other communications believed by it to have been sent by an Authorised Person. The Issuer shall use all reasonable endeavours to ensure that instructions transmitted to the Account Bank and/or the Principal paying Agent pursuant to this Agreement are completed and correct. Any instructions shall be conclusively deemed to be valid instructions from the Issuer to the Account Bank and/or the Principal Paying Agent for the purposes of this Agreement.
- 36.2 The Transaction Security Trustee may call for and shall be at liberty to accept a certificate signed by any two directors of the Issuer as sufficient evidence of any fact or matter or the expediency of any transaction or thing, and to treat such a certificate to the effect that any particular dealing or transaction or step or thing is, in the opinion of the persons so certifying, expedient or proper as sufficient evidence that it is expedient or proper, and the Transaction Security Trustee shall not be bound in any such case to call for further evidence or be responsible for any loss or liability that may be caused by acting on any such certificate.
- 36.3 The Transaction Security Trustee shall (save as otherwise expressly provided herein) as regards all the powers, authorities and discretions vested in it by or pursuant to any Trans-

action Document (including this Agreement) to which the Transaction Security Trustee is a party or conferred upon the Transaction Security Trustee by operation of law (the exercise of which, as between the Transaction Security Trustee and the Beneficiaries, shall be conclusive and binding on the Beneficiaries) have discretion as to the exercise or non-exercise thereof and, provided it shall not have acted in violation of its standard of care as set out in Clause 35 (*Standard of Care for Liability*), the Transaction Security Trustee shall not be responsible for any loss, costs, damages, expenses or inconvenience that may result from the exercise or non-exercise thereof.

- 36.4 The Transaction Security Trustee, as between itself and the Beneficiaries, shall have full power to determine all questions and doubts arising in relation to any of the provisions of any Transaction Document and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Transaction Security Trustee, shall be conclusive and shall bind the Transaction Security Trustee and the Beneficiaries. In particular, the Transaction Security Trustee may determine whether or not any event described in this Agreement is, in its opinion, materially prejudicial to the interests of Beneficiaries and if the Transaction Security Trustee shall certify that any such event is, in its opinion, materially prejudicial, such certificate shall be conclusive and binding upon the Issuer and the relevant Beneficiaries.
- 36.5 The Transaction Security Trustee may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of any Transaction Document is capable of remedy and, if the Transaction Security Trustee shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer and the Beneficiaries.
- 36.6 Any consent given by the Transaction Security Trustee for the purposes of any Transaction Document may be given on such terms and subject to such conditions (if any) as the Transaction Security Trustee thinks fit in its discretion (including the right to seek Noteholders' directions) and, notwithstanding anything to the contrary contained in any Transaction Document may be given retrospectively.
- 36.7 The Transaction Security Trustee shall not be responsible for recitals, statements, warranties or representations of any party (other than those relating to or provided by it) contained in any Transaction Document or other document entered into in connection therewith and may rely on the accuracy and correctness thereof (absent actual knowledge to the contrary) and shall not be responsible for the execution, legality, effectiveness, adequacy, genuineness, validity or enforceability or admissibility in evidence of any such agreement or other document or security thereby constituted or evidenced. The Transaction Security Trustee may accept without enquiry, requisition or objection such title as the Issuer may have to the Collateral or any part thereof from time to time and shall not be bound to investigate or make any enquiry into the title of the Issuer to the Collateral or any part thereof from time to time.
- 36.8 The Transaction Security Trustee shall not be liable for any error of judgement made in good faith by any officer or employee of the Transaction Security Trustee assigned by the Transaction Security Trustee to administer its corporate trust matters unless such officer or

employee has failed to observe the standard of care provided for in Clause 35 (*Standard of Care for Liability*).

- 36.9 No provision of this Agreement shall require the Transaction Security Trustee to do anything which may be illegal or contrary to applicable law or regulation or expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its rights or powers or otherwise in connection with any Transaction Document (including, without limitation, forming any opinion or employing any legal, financial or other adviser), if it determines in its sole discretion that repayment of such funds or adequate indemnity against such risk or liability is not assured to it.
- 36.10 The Transaction Security Trustee shall not be responsible for the genuineness, validity, effectiveness or suitability of any Transaction Documents or any other documents entered into in connection therewith or any other document or any obligation or rights created or purported to be created thereby or pursuant thereto or any security or the priority thereof constituted or purported to be constituted thereby or pursuant thereto, nor shall it be responsible or liable to any person because of any invalidity of any provision of such documents or the unenforceability thereof, whether arising from statute, law or decisions of any court and (without prejudice to the generality of the foregoing) the Transaction Security Trustee shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:
- (a) the nature, status, creditworthiness or solvency of the Issuer or any other person or entity who has at any time provided any security or support whether by way of guarantee, charge or otherwise in respect of any advance made to the Issuer;
 - (b) the execution, legality, validity, adequacy, admissibility in evidence or enforceability of any Transaction Document or any other document entered into in connection therewith;
 - (c) the scope or accuracy of any representations, warranties or statements made by or on behalf of the Issuer or any other person or entity who has at any time provided any Transaction Document or in any document entered into in connection therewith;
 - (d) the performance or observance by the Issuer or any other person of any provisions or stipulations relating to Notes or contained in any other Transaction Document or in any document entered into in connection therewith or the fulfillment or satisfaction of any conditions contained therein or relating thereto or as to the existence or occurrence at any time of any default, event of default or similar event contained therein or any waiver or consent which has at any time been granted in relation to any of the foregoing;
 - (e) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection with the Transaction Documents;

- (f) the failure by the Issuer to obtain or comply with any license, consent or other authority in connection with the Collateral or the Transaction Documents or the failure to effect or procure registration of or to give notice to any person in relation to or otherwise protect the security created or purported to be created by or pursuant to any of the Collateral or the Transaction Documents or other documents entered into in connection therewith; or
- (g) any accounts, books, records or files maintained by the Issuer or any other person in respect of any of the Collateral or the Transaction Documents.

36.11 The Transaction Security Trustee may, in the absence of actual knowledge to the contrary, assume without enquiry that the Issuer and each of the other parties to the Transaction Documents is duly performing and observing all of the provisions of those documents binding on or relating to it and that no event has happened which constitutes an Issuer Event of Default.

37. **UNDERTAKINGS OF THE ISSUER IN RELATION TO THE COLLATERAL**

The Issuer hereby undertakes vis-à-vis the Transaction Security Trustee:

- (a) not to sell the Collateral and to refrain from all actions and omissions to act (excluding, for the avoidance of doubt, the collection and enforcement of the Collateral in the ordinary course of business or otherwise dealing with the Collateral in accordance with the Transaction Documents) which may result in a significant (*wesentlichen*) decrease in the aggregate value or in a loss of the Collateral;
- (b) promptly to notify the Transaction Security Trustee in the event of becoming aware that the rights of the Transaction Security Trustee in the Collateral are impaired or jeopardised by way of an attachment or other actions of third parties, by sending a copy of the attachment or transfer order or of any other document on which the enforcement claim of the third party is based and which it has received, as well as all further documents available to it which are required or useful to enable the Transaction Security Trustee to file proceedings and take other actions in defence of its rights. In addition, the Issuer shall promptly inform the attachment creditor (*Pfändungsgläubiger*) and other third parties in writing of the rights of the Transaction Security Trustee in the Collateral; and
- (c) to permit the Transaction Security Trustee or its representatives to inspect its books and records at any time during usual business hours for purposes of verifying and enforcing the Collateral, to give any information necessary for such purpose, and to make the relevant records available for inspection.

38. **OTHER UNDERTAKINGS OF THE ISSUER**

38.1 **The Issuer undertakes to:**

- (a) promptly notify the Transaction Security Trustee and the Rating Agencies in writing if circumstances occur which constitute an Issuer Event of Default;

- (b) give the Transaction Security Trustee at any time such other information available to it which the Transaction Security Trustee may reasonably demand for the purpose of performing its duties under the Transaction Documents;
- (c) send to the Transaction Security Trustee one copy in English of any balance sheet, any profit and loss accounts, any schedule on the origin and the allocation of funds, any report or notice or any other memorandum sent out by the Issuer to its shareholders either at the time of the mailing of those documents to the shareholders or as soon as possible thereafter;
- (d) send or have sent to the Transaction Security Trustee a copy of any notice given to the Noteholders in accordance with the Terms and Conditions of the Notes immediately, or at the latest, on the day of the publication of such notice;
- (e) ensure that the Principal Paying Agent and the Issuer (acting through the Corporate Administrator) notify the Transaction Security Trustee and the Rating Agencies immediately if they do not receive the monies needed to discharge in full any obligation to pay or repay the full or partial principal or interest amounts due to the Noteholders and/or the Notes on any Payment Date;
- (f) notify the Transaction Security Trustee of any written amendment to any Transaction Document under which rights of the Transaction Security Trustee arise and to which the Transaction Security Trustee is not a party;
- (g) to have always at least one independent managing director (*Geschäftsführer*);
- (h) not to enter into any other agreements unless such agreement contains "**Limited Recourse**", "**Non-Petition**" and "**Limitation on Payments**" provisions as set out in Clause 44 (*No Liability and No Right to Petition and Limitation on Payments*) of this Agreement and any third party replacing any of the parties to the Transaction Documents (other than the Funding Loan Agreement) is allocated the same ranking in the Pre-Enforcement Priority of Payments and the Post-Enforcement of Payments as was allocated to such creditor and, such third party accedes to this Agreement as Replacement Beneficiary in accordance with Clause 40 (*Accession of Replacement Beneficiaries*);
- (i) do all such things as are necessary to maintain and keep in full force and effect its corporate existence;
- (j) ensure that it has the capacity and is duly qualified to conduct its business as it is conducted in all applicable jurisdictions;
- (k) procure that no change is made to the general nature or scope of its business from that carried on at the date of this Agreement;
- (l) carry on and conduct its business in its own name and in all dealings with all third parties and the public, identify itself by its own corporate name as a separate and distinct entity and not identify itself as being a division or part of any other entity whatsoever;

- (m) hold itself out as a separate entity and take reasonable measures to correct any misunderstanding regarding its separate identity known to it; and prepare and maintain its own full and complete books, records, stationary, invoices and checks, and financial statements separately from those of any other entity including, without limitation, any related company and shall ensure that any such financial statements will comply with generally accepted accounting principles;
- (n) observe all corporate and other formalities required by its constitutional documents;
- (o) maintain adequate capital in light of its contemplated business operations and pay its own liabilities out of its own funds; and
- (p) three months prior to the expiry of the exemption from withholding tax (and solidarity surcharge thereon) for interest paid on the Purchased Receivables granted in favour of the Issuer and evidenced by a certificate issued by the competent tax authority in Germany (*Dauerüberzahlerbescheinigung*), the Issuer shall apply for a renewal of such exemption;
- (q) have exclusive and unlimited access to its records and any other documents pertaining to its business, and keep such records and documents at its registered office in Germany, separate from those of any other person or entity;
- (r) maintain an arm's length relationship with its affiliates (if any); and
- (s) to maintain its accounts separate from those of any other person or entity.

38.2 The Issuer undertakes that it will not, save as contemplated or permitted by this Agreement or any other Transaction Document:

- (a) sell, transfer or otherwise dispose of or cease to exercise direct control over any part of its present or future undertaking, assets, rights or revenues or otherwise dispose of or use, invest or otherwise deal with any of its assets or undertaking or grant any option or right to acquire the same, whether by one or a series of transactions related or not;
- (b) enter into any amalgamation, demerger, merger or corporate reconstruction;
- (c) make any loans, grant any credit or give any guarantee or indemnity to or for the benefit of any person or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligation of any other person or hold out its credit as being available to satisfy the obligations of third parties;
- (d) permit its assets to become commingled with those of any other entity;
- (e) permit its accounts and the debts represented thereby to become commingled with those of any other entity; and
- (f) acquire obligations or securities of its shareholder(s).

39. **ACTIONS OF THE ISSUER REQUIRING CONSENT**

So long as any part of the Notes remains outstanding, the Issuer shall not be entitled, without the prior written approval of the Transaction Security Trustee (such approval shall not be given unless the requirements of Clause 15 are fulfilled) or unless required by applicable law (and notified the other Rating Agencies), to:

- (a) engage in any business or any other activities other than:
 - (i) the performance of its obligations under the Notes and the other Transaction Documents to which it is a party and under any other agreements which have been entered into in connection with the issue of the Notes or the other Transaction Documents;
 - (ii) the enforcement of its rights;
 - (iii) the performance of any acts which are necessary or desirable in connection with (i) or (ii) above; and
 - (iv) the execution of all further documents and undertaking of all other actions, at any time and to the extent permitted by law, which, in the opinion of the Transaction Security Trustee, are necessary or desirable having regard to the interests of the Noteholders in order to ensure that the Terms and Conditions of the Notes are always valid;
 - (v) hold shares in any entity;
 - (vi) dispose of any assets or any part thereof or interest therein, unless permitted or contemplated under (i) above;
 - (vii) pay dividends or make any other distribution to its shareholders in excess of EUR 1,000 per annum;
 - (viii) incur further indebtedness (other than as contemplated in (i) above);
 - (ix) have any employees or own any real estate asset;
 - (x) create or permit to subsist any mortgage, lien, pledge, security interest or other encumbrance in respect of any of its assets (except as hereunder permitted and except as otherwise contemplated in (i) above);
 - (xi) consolidate or merge with or into any other person;
 - (xii) materially amend its articles of association (*Gesellschaftsvertrag*);
 - (xiii) issue new shares or acquire shares; or
 - (xiv) open new accounts (other than as contemplated in (i) above).

40. **ACCESSION OF REPLACEMENT BENEFICIARIES**

- 40.1 Any party replacing any of the parties to an existing or future Transaction Document shall become a party (or add a new capacity as a party hereto) to this Agreement (each, a "**Replacement Beneficiary**") (without affecting any rights under general applicable law of such Replacement Beneficiary or under any agreement with any other party to the Trans-

action Documents (other than the Funding Loan Agreement) upon execution of an accession agreement ("**Accession Agreement**") by the Transaction Security Trustee and any Replacement Beneficiary in the form of Schedule 2 hereto.

40.2 The Transaction Security Trustee is hereby irrevocably authorised to execute such Accession Agreement for and on behalf of the Issuer, and the Beneficiaries pursuant to Schedule 2 hereto and to determine the ranking of any Replacement Beneficiary within the order provided for in the Post-Enforcement Priority of Payments, *provided that*, without prejudice to Clause 3.1 (*Position of Transaction Security Trustee in Relation to the Beneficiaries*), the Transaction Security Trustee shall allocate to the Replacement Beneficiary the same ranking as was allocated to the Beneficiary so replaced. Each party to this Agreement is hereby irrevocably exempted to the fullest extent possible under law from the restrictions set out in Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) and any similar provisions under any applicable law of any other country.

41. **NOTICES**

41.1 All notices under this Agreement shall be made in English by mail or by fax which shall be confirmed by mail.

41.2 **[Omitted]**

41.3 All notices to the Noteholders by the Transaction Security Trustee under or in connection with this Agreement or the Notes shall either be (i) delivered to Euroclear and Clearstream Luxembourg for communication by it to the Noteholders or (ii) made available for a period not less than 30 calendar days but in any case only as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange on the following website www.bourse.lu.

Any such notice referred to under Clause 41.3(i) shall be deemed to have been given to all Noteholders on the seventh calendar day after the day on which such notice was delivered to the ICSDs. Any notice referred to under Clause 41.3(ii) shall be deemed to have been given to all Noteholders on the day on which it is made available on the website, *provided that* if so made available after 4:00 p.m. (Frankfurt Time) it shall be deemed to have been given on the immediately following calendar day.

41.4

(a) The Transaction Security Trustee shall not be liable for any Losses arising or caused by it receiving or transmitting Instructions from or to the Issuer or any Authorised Person by means of any facsimile or email, provided, however, that such Losses, so incurred have not arisen from the gross negligence, fraud or wilful misconduct of the Transaction Security Trustee.

- (b) The Issuer acknowledges that communication by way of facsimile and E-Mail are not secure and accepts the limitation of liability on the part of the Transaction Security Trustee as set out in Clause 41.4(a). The Issuer shall use all reasonable endeavours to ensure that any Instruction transmitted or communicated by it or any Authorised Person to the Transaction Security Trustee pursuant to this Agreement is complete and correct.

For the purpose of this Clause 41.4, the following terms shall have the following specific meanings:

"Authorised Person" shall mean any person who is designated in writing by the Purchaser from time to time to give instructions to the Transaction Security Trustee under the terms of this Agreement.

"Instructions" shall mean any notices, directions or instructions written form (*in Textform*) received by the Transaction Security Trustee in accordance with this Agreement from an Authorised Person or from a person treasonably believed by the transaction security trustee to be an Authorised Person.

"Losses" shall mean any and all claims, losses, liabilities, damages, costs, expenses and judgments (including legal fees and expenses) sustained by any party to the Transaction Documents or any Noteholder due to the contents contained in any Instruction received by the Transaction Security Trustee from any Authorised Person being incomplete or incorrect.

- 41.5 Pursuant to any reasonable request for additional information to a Transaction Party from an Agent, such Transaction Party shall provide such additional information to such Agent.

42. SEVERABILITY; CO-ORDINATION

- 42.1 Without prejudice to any other provision hereof, if one or more provisions hereof is or becomes invalid, illegal or unenforceable for any reason in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party or parties shall not, to the fullest extent permitted by applicable law, render invalid, illegal or unenforceable such provision or provisions in any other jurisdiction or with respect to any other party or parties hereto. Such invalid, illegal or unenforceable provision shall be replaced by the relevant parties with a provision which comes as close as reasonably possible to the commercial intentions of the invalid, illegal or unenforceable provision. In the event of any contractual gaps, that provision shall be considered as agreed upon which most closely approximates the intended commercial purpose hereof. This Agreement shall not be affected by the invalidity, illegality or unenforceability with respect to any provision in any jurisdiction or with respect to any party of any other Transaction Document or amendment agreement thereto.
- 42.2 The parties mutually agree to take all measures and actions that become necessary under Clause 42.1 or for other reasons for the continued performance of this Agreement.

43. **VARIATIONS, REMEDIES AND WAIVERS**

- 43.1 No variation of this Agreement (including to this Clause 43) shall be effective unless it is in writing, unless expressly provided otherwise. Waivers of this requirement as to form shall also be made in writing. Any requirement of a written form (*Schriftformerfordernis*) agreed between the parties to this Agreement shall not prevent the parties from making a reference to any other agreement or document which is not attached as such to this Agreement. The Issuer and the Transaction Security Trustee shall immediately inform the Rating Agencies in writing of any variation of this Agreement.
- 43.2 This Agreement may be amended by the Issuer and the Transaction Security Trustee without the consent of the Beneficiaries (but with effect for the Beneficiaries) if such amendments, in the opinion of the Transaction Security Trustee, do not significantly adversely affect the interests of the Beneficiaries. For that purpose the Transaction Security Trustee is hereby irrevocably authorised to execute such amendments for and on behalf of the Beneficiaries and is hereby irrevocably exempted to the fullest extent possible under law from the restrictions set out in Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) and any similar provisions under any applicable law of any other country.
- 43.3 This Agreement may only be amended with the consent of the Transaction Security Trustee.
- 43.4 No failure to exercise, nor any delay in exercising, on the part of any party hereto, any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy.
- 43.5 The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law or any other Transaction Document.

44. **NO LIABILITY AND NO RIGHT TO PETITION AND LIMITATION ON PAYMENTS**

- 44.1 No recourse under any obligation, covenant, or agreement of the Issuer contained in this Agreement shall be held against any shareholder, officer, agent or managing director of the Issuer as such, by the enforcement of any obligation (including, for the avoidance of doubt, any obligation arising from false representations under this Agreement (other than by wilful default or gross negligence)) or by any proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that this Agreement is a corporate obligation of the Issuer and no liability shall attach to or be incurred by the shareholders, officers, agents or managing directors of the Issuer as such, or any of them, under or by reason of any of the obligations, covenants or agreements of the Issuer contained in this Agreement, or implied therefrom, and that any and all personal liability for breaches by the Issuer of any of such obligations, covenants or agreements, either at law or by statute or constitution, of every such shareholder, officer, agent or managing director is hereby

expressly waived by the other parties hereto as a condition of and consideration for the execution of this Agreement.

- 44.2 Each party hereto hereby agrees with the other parties hereto that they shall not (otherwise than as contemplated in this Agreement or any other Transaction Security Document), until the expiration of two (2) years and one (1) day after all outstanding amounts under the last maturing Note issued by the Issuer have been paid in full:
- (a) take any corporate action or other steps or legal proceedings for the winding-up, administration, examinership, dissolution or re-organisation or for the appointment of a receiver, administrator, examiner, administrative receiver, trustee in bankruptcy, liquidator, sequestrator or similar officer regarding some or all of the revenues and assets of the Issuer; or
 - (b) have any right to take any steps for the purpose of obtaining payment (other than through the enforcement of the Collateral by the Transaction Security Trustee) of any amounts payable to it under the Transaction Documents by the Issuer (including, for the avoidance of doubt, any payment obligation arising from false representations under this Agreement (other than by wilful default or gross negligence)) and shall not until such time take any steps to recover any debts or liabilities of any nature whatsoever owing to it by the Issuer.
- 44.3 Notwithstanding any provision contained in any Transaction Security Document to the contrary, the Issuer shall not, and shall not be obligated to, pay any amount pursuant to this Agreement unless the Issuer has received funds which may be used to make such payment in accordance with the Pre-Enforcement Priority of Payments set out in Schedule 5 to the Receivables Purchase Agreement. Each party acknowledges that the obligations of the Issuer arising hereunder are limited recourse obligations payable solely from the proceeds of the Collateral. Without prejudice to the Collateral and the enforcement and application of the proceeds thereof by the Transaction Security Trustee in accordance with this Agreement, under the condition precedent (*aufschiebende Bedingung*) that the Issuer would, at any time, after taking into account all claims of the creditors of the Issuer (including the claims of the Noteholders and the Subordinated Lender), be overindebted (*überschuldet*) within the meaning of section 19 of the German Insolvency Code (*Insolvenzordnung*), to the extent that, and only as long as, it is necessary to avoid such over-indebtedness of the Issuer, the obligations of the Issuer in respect of (in the following order): first, the Subordinated Loan and second, the Notes shall be regarded as junior obligations for the purpose of the German Insolvency Code (*Insolvenzordnung*) but shall not be construed as a waiver (*Erlass, Verzicht*) by the Noteholders and the Subordinated Lender or converted into equity of the Issuer and such junior obligations shall be treated as if they constitute statutory capital of the Issuer (*qualifizierter Rangrücktritt* within the meaning of section 199 sentence 2 of the German Insolvency Code (*Insolvenzordnung*)). Notwithstanding the foregoing subordination, the Issuer shall satisfy such junior obligations by payment to the Transaction Security Trustee for application in accordance with the provisions of the Subordinated Loan Agreement and the Terms and Conditions of the Notes out of future profit (*Gewinn*), liquidation surplus (*Liquidationsüberschuss*) and/or

other free assets (*freies Vermögen*) as soon as, and to the extent that, the Issuer can do so without becoming over-indebted and/or illiquid. If no such assets are available for payment of such junior obligations of the Issuer, the Noteholders and the Subordinated Lender shall suffer a shortfall. The obligations of the Issuer in respect of the Notes and the Subordinated Loan shall extinguish immediately prior to the registration of the liquidation of the Issuer at the commercial register (*Anmeldung zum Schluß der Liquidation zum Handelsregister*).

44.4 The provisions of this Clause 44 shall survive the termination of this Agreement.

45. **NO SET-OFF**

All payments by all parties to this Agreement to the Issuer are to be rendered without any deduction or retention due to any set-off or counterclaims. In particular, no party to this Agreement shall be entitled to set-off with a claim held or obtained against the Issuer.

46. **APPLICABLE LAW; PLACE OF PERFORMANCE; JURISDICTION; MISCELLANEOUS**

46.1 This Agreement shall be governed by, and construed in accordance with, the German law.

46.2 Place of performance for all obligations of all parties is Frankfurt am Main.

46.3 The courts of Frankfurt am Main shall have non-exclusive jurisdiction over disputes arising out of or in connection with this Agreement.

47. **CONDITION PRECEDENT**

The parties hereto hereby agree that this Agreement and the rights and obligations hereunder shall only become effective upon fulfilment of the condition precedent (*aufschiebende Bedingung*) that, on or about the Note Issuance Date, the Issuer has issued the Notes.

48. **[OMITTED]**

OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS

Receivables Purchase Agreement

On the Note Issuance Date, the Issuer will purchase Receivables from the Seller in accordance with the Receivables Purchase Agreement. During the Replenishment Period, the Seller may offer to sell to the Issuer Additional Receivables in accordance with the Receivables Purchase Agreement for an aggregate purchase price not exceeding the Replenishment Available Amount. The Issuer will be obligated to purchase and acquire Receivables for purposes of a Replenishment only to the extent that the obligation to pay the purchase price for the Receivables offered to the Issuer by the Seller for purchase on any Purchase Date can be satisfied by the Issuer by applying the Available Distribution Amount as of the Cut-Off Date immediately preceding the relevant Purchase Date in accordance with the Pre-Enforcement Priority of Payments. The obligation of the Issuer to pay the purchase price for any Additional Receivables in accordance with the Receivables Purchase Agreement will be netted against the obligation of the Seller acting as Servicer under the Servicing Agreement to transfer Collections to the Issuer on the Payment Date falling on the Purchase Date on which the Issuer purchases the relevant Additional Receivables from the Seller. Generally, the aggregate Outstanding Principal Amount of the Additional Receivables purchased by the Issuer on any Purchase Date may together with the Aggregate Outstanding Principal Amount of all Receivables purchased prior to such Purchase Date not exceed the amount of EUR 1,350,000,000. However, to the extent required to avoid assigning partial receivables to the Issuer, the Seller may assign to the Issuer Additional Receivables which result in the Aggregate Outstanding Principal Amount of all Purchased Receivables to exceed the amount of EUR 1,350,000,000. The Issuer will owe no purchase price to the Seller for any excess portion of an Additional Receivable which is assigned to the Issuer by the Seller.

In the event that, on any Purchase Date, the Replenishment Available Amount exceeds the aggregate purchase price payable by the Issuer to the Seller for the Additional Receivables purchased on such Purchase Date, such excess will be credited to the Purchase Shortfall Account. The amounts (if any) standing to the credit of the Purchase Shortfall Account on any Cut-Off Date will be included in the Available Distribution Amount and will be applied, on the Payment Date immediately following such Cut-Off Date, in accordance with the Pre-Enforcement Priority of Payments.

To be eligible for sale to the Issuer under the Receivables Purchase Agreement, each Receivable and any part thereof will have to meet the Eligibility Criteria set out in "DESCRIPTION OF THE PORTFOLIO — ELIGIBILITY CRITERIA" herein.

The offer by the Seller for the purchase of Receivables under the Receivables Purchase Agreement must contain certain relevant information for the purpose of identification of the Receivables. In each offer, the Seller must represent that certain representations and warranties with respect to the relevant Receivable were true and correct on the relevant Purchase Date. Upon acceptance, the Issuer will acquire or will be purported to acquire in respect of the relevant Loan Contracts unrestricted title to any and all outstanding Purchased Receivables arising under such Loan Contracts as from the Cut-Off Date immediately preceding the date of the offer, other than any Loan Instalments which have become due prior to or on such Cut-Off Date; together with all of

the Seller's rights, title and interest in the Related Collateral in accordance with the Receivables Purchase Agreement. As a result, the Issuer will obtain the full economic ownership in the Purchased Receivables as from the relevant Cut-Off Date, including principal and interest, and is free to transfer or otherwise dispose over (*verfügen*) the Purchased Receivables, subject only to the contractual restrictions provided in the relevant Loan Contracts and the contractual agreements underlying the Related Collateral.

If for any reason title to any Purchased Receivable is not or will not be transferred to the Issuer, the Seller, upon receipt of the purchase price and without undue delay, is obliged to take all action necessary to perfect the transfer of title or, if this is not possible, to hold such title for account and on behalf of the Issuer. All losses, costs and expenses which the Issuer incurred or will incur by taking additional measures due to the Purchased Receivables or the Related Collateral not being transferred or only being transferred following the taking of additional measures will be borne by the Seller.

The sale and assignment of the Receivables pursuant to the Receivables Purchase Agreement constitutes a sale without recourse (*regressloser Verkauf wegen Bonitätsrisiken*). This means that the Seller will not bear the risk of the inability of any Debtors to pay the relevant Purchased Receivables.

Deemed Collections

If certain events (see the definition of Deemed Collections in "SCHEDULE 1 DEFINITIONS – Deemed Collections" occur with respect to a Purchased Receivable, the Seller will be deemed to have repurchased such Purchased Receivable (or the affected portion thereof). To this end, the Seller has undertaken to pay to the Issuer Deemed Collections in the amount of the Outstanding Principal Amount or the affected portion of the Purchased Receivable. Upon receipt thereof, such Purchased Receivable and any relevant Related Collateral (or the affected portion thereof and unless it is extinguished due to circumstances making it a Disputed Receivable or is otherwise extinguished) will be automatically re-assigned to the Seller by the Issuer on the next succeeding Payment Date on a non-recourse or non-guarantee basis on the part of the Issuer. The costs of such assignment will be borne solely by the Seller. Similarly, the risk that the amount owed by a Debtor, either as part of the purchase price or otherwise, is reduced due to set-off, counterclaim, discount or other credit in favour of such Debtor, has been transferred to the Seller. To this end, the Seller will be deemed to receive such differential amount which will constitute a Deemed Collection.

If a Purchased Receivable which was treated as a Disputed Receivable is *res judicata* (*rechtskräftig festgestellt*) found to be enforceable without any set-off, counterclaim, encumbrance or objection (*Einrede* and/or *Einwand*), the Seller may request the Issuer to repay any Deemed Collection received in relation to such Purchased Receivable, subject to the Pre-Enforcement Priority of Payments. In such case, the Seller will re-assign such Purchased Receivable and any Related Collateral to the Issuer pursuant to the Receivables Purchase Agreement.

All amounts corresponding to Deemed Collections will be held by the Seller on trust in the name and for the account of the Issuer until payment is made to the Transaction Account.

Use of Related Collateral

The Issuer has agreed to make use of any Related Collateral only in accordance with the provisions underlying such Related Collateral and the related Loan Contracts.

Taxes and Increased Costs; Transaction Cost Fee

Pursuant to the Receivables Purchase Agreement, the Seller will pay any stamp duty, registration and other similar taxes to which the Receivables Purchase Agreement or any other Transaction Document or any judgement given in connection therewith may be subject.

In addition, the Seller will pay all taxes levied on the Issuer or other relevant parties involved in the financing of the Issuer (in each case excluding taxes on the net income, profits or net worth of such persons under German law, United States federal or state laws, or any other applicable law) due to the Issuer having entered into the Receivables Purchase Agreement or the Issuer and such other relevant parties having entered into the Transaction Documents or other agreements relating to the financing of the acquisition by the Issuer of Receivables in accordance with the Receivables Purchase Agreement. Upon demand of the Issuer, the Seller will indemnify the Issuer against any liabilities, costs, claims and expenses which arise from the non-payment or the delayed payment of any such taxes, except for those penalties and interest charges which are attributable to the gross negligence of the Issuer.

All payments to be made by the Seller to the Issuer pursuant to the Receivables Purchase Agreement will be made free and clear of and without deduction for or on account of any tax. The Seller will reimburse the Issuer for any deductions or retentions which may be made on account of any tax. The Seller will have the opportunity and authorisation to raise defences against the relevant payment at the Seller's own costs.

Where the Issuer has received a credit against a relief or remission for, or repayment of, any tax, then if and to the extent that the Issuer determines that such credit, relief, remission or repayment is in respect of the deduction or withholding giving rise to such additional payment or with reference to the liability, expense or loss to which caused such additional payments, the Issuer will, to the extent that it can do so without prejudice to the retention of the amount of such credit, relief, remission or repayment, pay to the Seller such amount as the Issuer will have concluded to be attributable to such deduction or withholding or, as the case may be, such liability, expense or loss, *provided that* the Issuer will not be obliged to make any such payment until it is, in its sole opinion, satisfied that its tax affairs for its tax year in respect of which such credit, relief, remission or repayment was obtained have been finally settled.

Pursuant to the Receivables Purchase Agreement, the Seller will pay on each Payment Date to the Issuer the Transaction Cost Fee. The Issuer will apply the Transaction Cost Fee to pay interest and principal due under the Funding Loan (see "— FUNDING LOAN" below).

Insurance and Related Collateral

Any insurance claims in respect of any Related Collateral form part of the Related Collateral which has been assigned to the Issuer under the Transaction Security Agreement. If the Seller or the Servicer receives any proceeds from property insurances or claims from third parties which have damaged any Related Collateral as well as claims against the insurer of such third parties which form part of the Related Collateral, such proceeds will be used to repair such damaged Re-

lated Collateral. If the relevant damaged Related Collateral cannot be repaired, such proceeds will be applied in repayment of the relevant Loan Contract.

Notification of Assignment

The Debtors and other relevant debtors (in particular property insurers) will only be notified by the Seller in respect of the assignment of the Purchased Receivables and Related Collateral upon request by the Issuer following the occurrence of a Notification Event or whenever it is necessary to protect the Issuer's justified interests. Should the Seller fail to notify the Debtors and the other relevant debtors within five Business Days of such request, the Issuer may notify the Debtors and other relevant debtors of the assignment of the Purchased Receivables and Related Collateral itself.

Without prejudice to the foregoing, under the Servicing Agreement the Issuer is entitled to notify by itself or through any agent or require the Servicer to notify the Debtors, of the assignment if a Notification Event has occurred.

In addition, at any time after a Notification Event has occurred or whenever it is necessary to protect the justified interests of the Issuer, the Seller, upon request of the Issuer, will inform any relevant insurance company of the assignment of any insurance claims and procure the issuance of a security certificate (*Sicherungsschein*) in the Issuer's name. The Issuer is authorised to notify the relevant insurance company of the assignment on behalf of the Seller. Prior to notification, the Debtors will continue to make all payments to the account of the Seller as provided in the relevant Loan Contract between each Debtor and the Seller and each Debtor will obtain a valid discharge of its payment obligation.

Upon notification, the Debtors will be notified to make all payments to the Issuer to the Transaction Account in order to obtain valid discharge of their payment obligations.

Each of the following constitutes "**Notification Events**" pursuant to the Receivables Purchase Agreement:

1. The Servicer fails to make a payment due under or with respect to the Servicing Agreement at the latest on the second Business Day after its due date, or, in the event no due date has been determined, within three Business Days after the demand for payment.
2. The Servicer fails within 5 (five) Business Days to perform its material obligations (other than those referred to in paragraph 1 above) owed to the Issuer under or with respect to the Servicing Agreement.
3. Either the Seller or the Servicer is over indebted (*überschuldet*), unable to pay its debts when they fall due (*zahlungsunfähig*) or such status is imminent (*drohende Zahlungsunfähigkeit*) or intends to commence insolvency (including preliminary insolvency proceedings) or reorganisation proceedings or is subject to insolvency (including preliminary insolvency proceedings), dissolution proceedings or any measure taken by the BaFin pursuant to Sections 46 et seq. of the German Banking Act (*Gesetz über das Kreditwesen*), and the Seller or (as relevant) the Servicer fails to remedy such status within twenty Business Days.

4. Either of the Seller or the Servicer is in breach of any of the covenants in relation to, *inter alia*, financial reporting, conduct of business, compliance with laws, rules, regulations, judgements, furnishing of information and inspection and keeping of records, the Credit and Collection Policy, tax, software and banking licences, prolongation or supplementation of Purchased Receivables, change of business policy, sales and liens as set out in the Receivables Purchase Agreement or any of the covenants set out in the Servicing Agreement.
5. A Servicer Termination Event (as defined in "— SERVICING AGREEMENT" below) has occurred.

Resale and Retransfer of Purchased Receivables

On any Payment Date on or following on which all of the Class A Notes have been redeemed in full, the Seller may demand from the Issuer the resale of all outstanding Purchased Receivables together with any Related Collateral which have not been sold to a third party.

Such resale and retransfer would occur on a Payment Date agreed upon by the Seller as repurchase date, be at the cost of the Seller and coincide with the early redemption of the Notes. See "TERMS AND CONDITIONS OF THE NOTES — Redemption — Early Redemption". The Seller may not demand any partial resale of Purchased Receivables. Such resale and retransfer would be for a repurchase price in an amount equal to the then current value of all then outstanding Purchased Receivables plus any interest accrued until and outstanding on such Payment Date and without any recourse against, or warranty or guarantee of, the Issuer. The repurchase and early redemption of the transaction will be excluded if the repurchase price determined by the Seller is not sufficient to fully satisfy the obligations of the Issuer under the Notes. The Issuer will retransfer the Purchased Receivables (together with any Related Collateral) at the cost of the Seller to the Seller upon receipt (*Zug um Zug*) of the full repurchase price and all other payments owed by the Seller or the Servicer under the Receivables Purchase Agreement or the Servicing Agreement.

Set-Off Reserve

Pursuant to the Receivables Purchase Agreement, If a Set-Off Reserve Trigger Event occurs, the Seller will be required, within 5 (five) Business Days, to transfer the Set-Off Reserve Amount to an account of the Issuer held with the Account Bank (the "**Set-Off Reserve Account**"). "**Set-Off Reserve Amount**" shall mean: (A) as of the Cut-Off Date immediately preceding the occurrence of a Set-Off Reserve Trigger Event and as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the sum of the Seller Deposits which are calculated with respect to each Debtor of Purchased Receivables outstanding as of the relevant date who, on the relevant Cut-Off Date, holds Seller Deposits, and are in each case equal to the lower of (i) the amount of Seller Deposits which, as of the relevant Cut-Off Date, are held with the Seller by such Debtor, and (ii) the Principal Amount of the Purchased Receivables owed by such Debtor outstanding as of the relevant Cut-Off Date; or (B) if as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the Seller has at least the Set-Off Required Rating, zero. The amounts if any, standing to the credit of the Set-Off Reserve Account shall be included in the Available Distribution Amount and shall be applied on any Payment Date in accordance with the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Servicer

under item *fifth* of the Pre-Enforcement Priority of Payments) if and to the extent (i) any amounts that would otherwise have to be transferred to the Issuer as Deemed Collections within the meaning of item (B)(i) of the definition of Deemed Collections for the Collection Period ending on the relevant Cut-Off Date were not received by the Seller as a result of any of the actions described in item (B)(i) of the definition of Deemed Collections and (ii) the Issuer does not have a right of set-off against the Seller with respect to such amounts on the relevant Payment Date. On any Payment Date following the occurrence of a Set-Off Reserve Trigger Event, the Issuer pay to the Seller the Set-Off Reserve Excess Amount. "**Set-Off Reserve Excess Amount**" shall mean, as of any Payment Date, the excess of the amounts standing to the credit of the Set-Off Reserve Account over the Set-Off Reserve Amount on the Cut-Off Date immediately preceding such Payment Date, after a drawing (if any) in accordance with item 9 of the definition of Available Distribution Amount.

Servicing Agreement

Pursuant to the Servicing Agreement between the Servicer, the Transaction Security Trustee, the Issuer, and the Corporate Administrator, the Servicer has the right and duty to administer the Purchased Receivables and Related Collateral, collect and, if necessary, enforce the Purchased Receivables and foreclose on the Related Collateral and pay all proceeds to the Issuer.

Servicer's Duties

The Servicer acts as agent (*Beauftragter*) of the Issuer under the Servicing Agreement. The duties of the Servicer include the assumption of servicing, collection, administrative and enforcement tasks and specific duties set out in the Servicing Agreement (the "**Services**").

Under the Servicing Agreement, the Servicer will, *inter alia*:

- endeavour at its own expense to recover amounts due from the Debtors in accordance with the Credit and Collection Policy, see "CREDIT AND COLLECTION POLICY". The Issuer will assist the Servicer in exercising all rights and legal remedies from and in relation to the Purchased Receivables and Related Collateral, as is reasonably necessary, yet will be reimbursed by the Servicer for any costs and expenses incurred;
- keep and maintain records, account books and documents in relation to the Purchased Receivables and the Related Collateral (including for tax purposes) in a manner such that these are easily distinguishable from those relating to other receivables in respect of which the Servicer is originator, servicer or depositary, or otherwise;
- hold all records relating to the Purchased Receivables in its possession in trust (*treuhänderisch*) for, and, to the order of, the Issuer;
- assist the Issuer in discharging any Related Collateral in respect of any Purchased Receivables which have been paid;
- exercise and preserve all rights of the Issuer under the Loan Contracts and if no payment under the relevant Purchased Receivable is made on the due date thereof, enforce such Purchased Receivable through court proceedings;
- enforce the Related Collateral in accordance with the terms of the Servicing Agreement and the Receivables Purchase Agreement and apply the enforcement proceeds to the rele-

- vant secured obligations, and, insofar as such enforcement proceeds are applied to Purchased Receivables and constitute Collections, pay such Collections to the Issuer; and
- make available on a monthly basis reports containing updated information with respect to the Portfolio.

The Servicer will administer the Portfolio in accordance with its respective standard procedures, set out in its credit and collection policies for the administration and enforcement of its own consumer loans and related collateral, subject to the provisions of the Servicing Agreement and the Receivable Purchase Agreement. In the administration and servicing of the Portfolio, the Servicer will exercise the due care and diligence of a prudent business man (*Sorgfalt eines ordentlichen Kaufmannes*) as if it was administering receivables on its own behalf. The Servicer will ensure that it has all required licences, approvals, authorisations and consents which are necessary or desirable for the performance of its duties under the Servicing Agreement.

Pursuant to the Servicing Agreement, the Servicer will not materially amend the Credit and Collection Policy unless (i) each Rating Agency has been notified in writing of such amendment, and (ii) the Purchaser, the Seller (if different) and the Transaction Security Trustee have consented to such amendment in writing (such consent not to be unreasonably withheld).

Under the Servicing Agreement, the Servicer will not be entitled to any fee or reimbursement of expenses as consideration for the performance of the Services. However, any fees, costs, charges and expenses, indemnity claims and other amounts payable by the Servicer to any agents appointed by it under the Servicing Agreement will be reimbursed by the Issuer to the Servicer in accordance with the Servicing Agreement and the Pre-Enforcement Priority of Payments.

Delegation to Geoban

A substantial portion of the Servicer's customer servicing obligations under the Servicing Agreement is outsourced on a continuous basis to Geoban S.A., Niederlassung Deutschland ("**Geoban**"), a whollyowned subsidiary of Banco Santander, S.A. The delegated services Geoban performs include front- (call centre) and back-office (other customer correspondence) operations for banking products such as car, durable, direct loans, mortgages, current accounts, credit & debit cards, savings products as well as specialized tasks such as payments and customer fraud handling. Irrespective of the sub-delegation of certain services to Geoban, the Servicer remains primarily liable for the performance of the servicing obligations under the Servicing Agreement and it is not expected that any delegation of administration and processing services to Geoban will materially and adversely impact on the provision of the loan administration services under the Servicing Agreement.

Commingling Reserve

Pursuant to the Servicing Agreement, if, at any time as long as the Seller is the Servicer, a Commingling Reserve Trigger Event occurs, the Seller will be required, within 30 (thirty) Business Days, to transfer the Commingling Reserve Amount to an account of the Issuer held with the Account Bank (the "**Commingling Reserve Account**"). "**Commingling Reserve Amount**" shall mean, (a) as of any Cut-Off Date following the occurrence of a Commingling Reserve Trigger Event, an amount equal to the sum of (i) the amount of the Scheduled Collections for the period from the beginning of the Collection Period immediately following the relevant Cut-Off Date to

the last Business Day of the second Collection Period after the relevant Cut-Off Date (both inclusive) and (ii) 2% of the Aggregate Outstanding Note Principal Amount as of the relevant Cut-Off Date or (b) if as of any Cut-Off Date no Commingling Reserve Trigger Event has occurred, zero. "**Scheduled Collections**" shall mean, with respect to any Collection Period, the amount of Collections scheduled to be received by the Servicer with respect to such Collection Period as reported by the Servicer for such Collection Period. "**Commingling Required Rating**" shall mean, with respect to any entity, that the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB (or its replacement) by DBRS and BBB (or its replacement) by S&P and any such rating has not been withdrawn. A "**Commingling Reserve Trigger Event**" shall have occurred if, at any time, (i) Santander Consumer Finance, S.A. ceases to have the Commingling Required Rating or (ii) Santander Consumer Finance, S.A. ceases to own, directly or indirectly, at least 75 % of the share capital of the Seller, unless in each case (i) and (ii), the Seller has at least the Commingling Required Rating. The amounts, if any, standing to the credit of the Commingling Reserve Account shall be included in the Available Distribution Amount and shall be applied on any Payment Date in accordance with the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Servicer under item *fifth* of the Pre-Enforcement Priority of Payments) if and to the extent that the Seller has, on such Payment Date, failed to transfer to the Issuer any Collections (other than Deemed Collections within the meaning of item (B)(i) of the definition of Deemed Collections) received or payable by the Seller during, or with respect to, the Collection Period ending on the Cut-Off Date immediately preceding such Payment Date or if the appointment of the Servicer under the Servicing Agreement has been automatically terminated pursuant to the last paragraph of Clause 9.1 of the Servicing Agreement. On any Payment Date following the occurrence of a Commingling Reserve Trigger Event, the Issuer shall pay to the Seller any Commingling Reserve Excess Amount. "**Commingling Reserve Excess Amount**" shall mean, as of any Payment Date, the excess of the amounts standing to the credit of the Commingling Reserve Account over the Commingling Reserve Amount, on the Cut-Off Date immediately preceding such Payment Date, after a drawing (if any) in accordance with item 8 of the definition of Available Distribution Amount.

Use of Third Parties

The Servicer may, subject to certain requirements, delegate and sub-contract its duties in connection with the servicing and enforcement of the Purchased Receivables and/or foreclosure on the Related Collateral, *provided that* such third party has all licences, registrations and authorisations required for the performance of the servicing delegated to it, in particular any licences or registrations required under the German Act on Legal Services (*Rechtsdienstleistungsgesetz*).

Cash Collection Arrangements

The Seller expects that the Debtors will continue to make all payments to the account of the Seller as provided in the Loan Contracts between each Debtor and the Seller and thereby obtain a valid discharge of their respective payment obligation. The Debtors will only receive notice of the sale and transfer of the relevant Purchased Receivables to the Issuer if a Notification Event has occurred (see "**RECEIVABLES PURCHASE AGREEMENT — NOTIFICATION OF ASSIGNMENT**"), following receipt of which the Debtors shall make all payments to the Issuer to the Transaction Account in order to obtain valid discharge of their payment obligations.

Under the terms of the Servicing Agreement, the Collections received by the Servicer will be transferred on the Payment Date immediately following each Collection Period to the Transaction Account or as otherwise directed by the Issuer or the Transaction Security Trustee, unless the Seller applies part or all of the Collections to the replenishment of the Portfolio in accordance with the Pre-Enforcement Priority of Payments and the terms of the Receivables Purchase Agreement. Until such transfer, the Servicer will hold the Collections and any other amount received on trust (*treuhänderisch*) for the Issuer and will give directions to the relevant banks accordingly. All payments will be made free of all bank charges and costs as well as any tax for the recipient thereof.

Information and Regular Reporting

The Servicer will use all reasonable endeavours to safely maintain records in relation to each Purchased Receivable in computer readable form. The Servicer will notify to the Issuer and the Rating Agency any material change in its administrative or operating procedures relating to the keeping and maintaining of records. Any such material change requires the prior consent of the Issuer.

The Servicing Agreement requires the Servicer to furnish at the latest three calendar days prior to the Payment Date following the relevant Cut-Off Date the Detailed Investor Report to the Issuer, with a copy to the Corporate Administrator, the Rating Agency, the Calculation Agent and the Transaction Security Trustee, with respect to each Collection Period as well as certification that no Notification Event or Servicer Termination Event has occurred. Each Detailed Investor Report will set out in detail, on an aggregate basis, the state of repayment and amounts outstanding on the Purchased Receivables, measures being taken to collect any overdue payments as well as details regarding all foreclosure proceedings in respect of any Related Collateral and the status, development and timing of such proceedings. The Servicer will, upon request, provide the Issuer with all additional information concerning the Purchased Receivables and Related Collateral in which the Issuer has a legitimate interest, subject to the terms of the Servicing Agreement and protection of each Debtor's personal data.

Termination of Loan Contracts and Enforcement

If a Debtor defaults on a Purchased Receivable, the Servicer will proceed in accordance with the Credit and Collection Policy. The Servicer will abide by the enforcement and realisation procedures as set out in the Receivables Purchase Agreement and Servicing Agreement. If the Related Collateral is to be enforced, the Servicer will take such measures as it deems necessary in its professional discretion to realise the Related Collateral.

The Servicer is obliged to terminate any Loan Contract in accordance with the Credit and Collection Policy. Where the Servicer fails to do so, the Servicer must compensate the Issuer for any damage caused for its failure to carry out such duly and timely termination such that the Issuer is placed in the same position as if it complied with its obligation. The Servicer has undertaken not to agree with any Debtor to restrict such termination rights and will pay damages to the Issuer if it does not effect due and timely termination.

The Servicer will pay the portion of the enforcement proceeds to the Issuer which have been or are to be applied to the Purchased Receivables or the Issuer is otherwise entitled to in accordance with the Servicing Agreement.

Termination of the Servicing Agreement

Pursuant to the Servicing Agreement, the Issuer may at any time terminate the appointment of the Servicer and appoint a substitute servicer if a Servicer Termination Event has occurred, and/or notify or require the Servicer to notify the relevant Debtors of the assignment of the Purchased Receivables to the Issuer such that all payments in respect to such Purchased Receivables are to be made to the Issuer or a substitute servicer appointed by the Issuer if a Notification Event has occurred. Each of the following events constitutes a "**Servicer Termination Event**":

1. The Servicer fails to make a payment due under the Servicing Agreement at the latest on the second Business Day after its due date, or, in the event no due date has been determined, within 3 (three) Business Days after the demand for payment.
2. Following a demand for performance the Servicer fails within five Business Days to perform its material (as determined by the Issuer) obligations (other than those referred to in paragraph 1 above) owed to the Issuer under the Servicing Agreement.
3. Any of the representations and warranties made by the Servicer with respect to or under the Servicing Agreement or any Monthly Report or information transmitted is materially false or incorrect.
4. The Servicer is (i) over-indebted (*überschuldet*), unable to pay its debts when they fall due (*zahlungsunfähig*) or such status is imminent (*drohende Zahlungsunfähigkeit*) or (ii) intends to commence insolvency (including preliminary insolvency proceedings) or reorganisation proceedings or is subject to insolvency (including preliminary insolvency proceedings) or dissolution proceedings and, other than with respect to (i), the Servicer fails to remedy such status within 20 (twenty) Business Days.
5. The Servicer is in default with respect to any material payment obligation owed to any third party for a period of more than five calendar days.
6. The Servicer is in breach of any of the covenants set out in the Servicing Agreement.
7. Any licence of the Servicer required with respect to the Servicing Agreement and the Services to be performed there under is revoked, restricted or made subject to any conditions.
8. The Servicer is not collecting Purchased Receivables or Related Collateral pursuant to the Servicing Agreement or is no longer entitled or capable to collect the Purchased Receivables and the Related Collateral for practical or legal reasons.
9. At any time there is otherwise no person who holds any required licence appointed by the Issuer to collect the Purchased Receivables and the Related Collateral in accordance with the Servicing Agreement.
10. There are valid reasons to cause the fulfilment of material duties and material obligations under the Servicing Agreement or under the Loan Contracts or Related Collateral on the part of the Servicer or the Seller (acting in its capacity as the Servicer) to appear to be impeded.
11. The Servicer (to the extent that it is identical with the Seller) is in breach of any of the financial covenants set out in the Receivables Purchase Agreement.

12. A material adverse change in the business or financial conditions of the Servicer has occurred which materially affects its ability to perform its obligations under the Servicing Agreement.
13. At any time Santander Consumer Finance, S.A. (i) ceases to hold directly or indirectly 75 per cent of the Servicer's share capital or voting rights or (ii) fails to meet the Servicer Required Rating.

Pursuant to the Servicing Agreement, the appointment of the Servicer is automatically terminated in the event that the Servicer is either over indebted (*überschuldet*) or unable to pay its debts (*zahlungsunfähig*) or the inability of the Servicer to pay its debts is imminent (*drohende Zahlungsunfähigkeit*) or if any measures under Section 21 of the German Insolvency Code or under Section 45 to 47 of the German Banking Act (*Gesetz über das Kreditwesen*) are taken in respect of the Servicer.

The Servicer is only entitled to resign as Servicer under the Servicing Agreement for good cause (*aus wichtigem Grund*).

The outgoing Servicer and the Issuer will execute such documents and take such actions as the Issuer may require for the purpose of transferring to the substitute servicer the rights and obligations of the outgoing Servicer, assumption by any substitute servicer of the specific obligations of substitute servicers under the Servicing Agreement and releasing the outgoing Servicer from its future obligations under the Servicing Agreement. Upon termination of the Servicing Agreement with respect to the Servicer and the appointment of a substitute servicer, the Servicer will transfer to any substitute servicer all Records and any and all related material, documentation and information. Any substitute servicer will have all required licences, in particular, any licences or registrations required under the German Act on Legal Services (*Rechtsdienstleistungsgesetz*).

Any termination of the appointment of the Servicer or of a substitute servicer will be notified by the Issuer to the Rating Agency, the Transaction Security Trustee and the Corporate Administrator.

Subordinated Loan Agreement

Pursuant to the Subordinated Loan Agreement, a committed credit facility was made available to the Issuer by the Subordinated Loan Provider. Pursuant to the terms of the Subordinated Loan Agreement, the Issuer has drawn amounts made available thereunder in one single drawdown on or before the first Purchase Date which have been credited to the Reserve Fund in accordance with the Subordinated Loan Agreement. The Issuer is not entitled to make any drawings thereunder after the Note Issuance Date. As of the Note Issuance Date, the outstanding amount under the Subordinated Loan Agreement is expected to amount to EUR 13,500,000.

The Subordinated Loan Provider has agreed in the Subordinated Loan Agreement for the benefit of the Seller not to have recourse against the Seller for any non-repayment of advances or any non-payment of interest under the Subordinated Loan Agreement which is caused by any Purchased Receivables having become Delinquent Receivables or Defaulted Receivables.

Pursuant to the Subordinated Loan Agreement, the Issuer is under no obligation to pay any amounts under the Subordinated Loan Agreement unless the Issuer has received funds which may be used to make such payment in accordance with the Pre-Enforcement Priority of Payments or,

upon the occurrence of an Issuer Event of Default, the Post-Enforcement Priority of Payments. The Subordinated Loan Provider has also agreed in the Subordinated Loan Agreement not to take any corporate action or any legal proceedings regarding some or all of the Issuer's revenues or assets, and not to have any right to take any steps for the purpose of obtaining payment of any amounts payable to it under the Subordinated Loan Agreement by the Issuer.

Funding Loan Agreement

The Funding Loan Provider will make available to the Issuer an interest-bearing amortising funding loan ("**Funding Loan**") which is not credit-linked to the Portfolio and will, subject to certain conditions, be disbursed on the Note Issuance Date to provide the Issuer with the funds necessary to pay certain amounts payable on the Note Issuance Date under the Transaction Documents (including, without limitation, the fees, costs and expenses payable on the Note Issuance Date to the Manager and to other parties in connection with the offer and sale of the Notes) and certain other costs. The Seller will pay the Issuer a fee ("**Transaction Cost Fee**") on each Payment Date in accordance with the Receivables Purchase Agreement. The Transaction Cost Fee will not form part of the Available Distribution Amount. The Funding Loan will be repaid in eighteen (18) instalments on each Payment Date following the Note Issuance Date. The Funding Loan will be subject to partial repayment, early repayment or optional repayment in specific circumstances and subject to certain conditions. All payment obligations of the Issuer under the Funding Loan constitute limited obligations to pay out only the amounts received by the Issuer from time to time in respect of the Transaction Cost Fee under the Receivables Purchase Agreement.

Data Trust Agreement

Pursuant to the Data Trust Agreement the Data Trustee will keep data lists containing, *inter alia*, the names and addresses of the Debtors under the Purchased Receivables and of any third party which has provided security which forms part of the Related Collateral and the relevant account numbers relating to such Debtors and third parties providing security with respect to each Purchased Receivable, all of which forms part of the Collateral from time to time pursuant to the Transaction Security Agreement. The Seller is obliged to provide the Data Trustee at the latest on each Purchase Date with such data lists to ensure that, failing notification by the Seller of the assignment of the Purchased Receivables and the Related Collateral, the Transaction Security Trustee or the Issuer, as relevant, are at all times in a position to notify all relevant debtors in accordance with the provisions of the Receivables Purchase Agreement. The Data Trustee will release such lists to the Issuer or the Transaction Security Trustee if, *inter alia*, this is necessary for the Issuer to enforce the Issuer's claims in respect of the Related Collateral, the Seller directs it in writing to do so or the Data Trustee has been notified by either the Issuer or the Seller of the occurrence of certain events specified in the Receivables Purchase Agreement. In the event that insolvency proceedings are commenced with respect to the Issuer, the Data Trustee will deliver to the Transaction Security Trustee such data lists. If a substitute Servicer has been appointed, the relevant lists will be released to it.

Agency Agreement

Pursuant to the Agency Agreement, the Principal Paying Agent, the Calculation Agent and the Cash Manager are appointed by the Issuer and each will act as agent of the Issuer to make certain calculations, determinations and to effect payments in respect of the Notes. The functions, rights

and duties of the Principal Paying Agent, the Calculation Agent and the Cash Manager are set out in the Terms and Conditions. See "TERMS AND CONDITIONS OF THE NOTES".

The Agency Agreement provides that the Issuer may terminate the appointment of any Agent with regard to some or all of its functions with the prior written consent of the Transaction Security Trustee upon giving such Agent not less than 30 (thirty) calendar days' prior notice. Any Agent may at any time resign from its office by giving the Issuer and the Transaction Security Trustee not less than 30 (thirty) calendar days' prior notice, *provided that* at all times there shall be a Principal Paying Agent, a Calculation Agent and a Cash Manager appointed. Any termination of the appointment of any Agent and any resignation of such Agent shall only become effective upon the appointment in accordance with the Agency Agreement of one or more banks or financial institutions as replacement agent(s) in the required capacity. The right to termination or resignation for good cause will remain unaffected. If no replacement agent is appointed within 20 (twenty) calendar days of any Agent's resignation, then such Agent may itself, subject to certain requirements, appoint such replacement agent in the name of the Issuer.

Subscription Agreement

The Issuer, the Manager and the Seller have entered into a Subscription Agreement under which the Manager has agreed to subscribe and pay for the Notes, subject to certain conditions. The Manager has the right to receive a combined management and underwriting commission and a selling concession in respect of their services, and the right to all costs and expenses and certain representations, warranties and indemnities from the Issuer. See "SUBSCRIPTION AND SALE".

Corporate Administration Agreement

Pursuant to a Corporate Administration Agreement the Corporate Administrator provides certain corporate and administrative functions to the Issuer. The duties of the Corporate Administrator include, *inter alia*, the following specific duties:

- (i) provision of the registered address for the Issuer;
- (ii) proposing to the Issuer at least two persons but not more than three persons that fulfill the criteria for managing directors set out in the articles of association (*Gesellschaftsvertrag*) of the Issuer to be appointed by the Issuer's shareholders' meeting as managing directors of the Issuer and if the appointment of any managing director has been revoked for any reason whatsoever and the Corporate Administration Agreement has not been terminated at such time, proposing to the Issuer a person to be appointed by the Issuer's shareholders' meeting as a new managing director of the Issuer;
- (iii) assisting the managing directors of the Issuer in complying with their duties under statutory law and the articles of association of the Issuer;
- (iv) making available telephone, facsimile and post box facilities at the Issuer's registered address;
- (v) dealing with correspondence of the Issuer, including checking and filing and forwarding it to the respective contact persons;

- (vi) preparing and organising shareholders' meetings, preparing and circulating agendas and other documents or draft documents required at or in connection with such meetings, providing facilities for such meetings and keeping the minutes of such meetings;
- (vii) keeping and maintaining the Issuer's corporate files and maintaining the corporate records, including the list of shareholders and the minutes of the shareholders' meetings;
- (viii) mandating and supervising tax advisors to prepare tax returns and statutory financial statements;
- (ix) supervising matters related to the local registration with the commercial register;
- (x) mandating the managing directors of the Issuer to prepare the annual accounts of the Issuer;
- (xi) accounting for the Issuer, including, without limitation, the preparation of monthly statements according to German GAAP (*Generally Accepted Accounting Principles*) and IFRS (*International Financial Reporting Standards*), as relevant, and providing such monthly statements to the Seller or the Servicer (if different to the Seller) within three (3) Business Days after receipt of each Monthly Report from the Servicer in accordance with the Servicing Agreement;
- (xii) instructing and providing assistance to the auditors of the Issuer to carry out the audit of the annual accounts of the Issuer and, if required, filing such accounts with the relevant authorities;
- (xiii) filing the Issuer's annual accounts and tax returns with the competent authorities;
- (xiv) assisting the tax advisors and/or auditors of the Issuer to ensure that all application forms (including for extending the certificate issued by a competent German local tax authority confirming that there is no obligation to withhold any taxes (*Dauerüberzahlerbescheinigung*)) are filed with the competent German local tax authority and that the Issuer is registered for tax purposes with respect to all applicable German taxes and using all reasonable endeavours to ensure that the Issuer complies in all respects with its obligations in respect of any applicable taxes;
- (xv) instructing the tax advisors to prepare the annual tax returns of the Issuer and providing to the tax advisors all information necessary to prepare such returns and submitting such returns together with the annual accounts to the competent German tax authorities;
- (xvi) with the assistance of tax advisors if necessary, filing all applications for reverse VAT and undertaking all subsequent monthly VAT filings, if applicable;
- (xvii) being responsible for:
 - (aa) ensuring that the Issuer complies with its obligations under the Transaction Documents and any other agreements entered into by it in relation to each Account; and
 - (bb) performing all its duties under the Accounts Agreement with respect to each Account;

- (xviii) notifying each of the Issuer and the Transaction Security Trustee without undue delay if the Corporate Administrator attains actual knowledge that the rating of the Account Bank is withdrawn or ceases to have the Account Bank Required Rating;
- (xix) co-ordinating and facilitating the preparation and issuance by the Issuer of and, if requested by either the Issuer or the Transaction Security Trustee, drafting all notices, acknowledgements, consents and demands which the Issuer is required to provide or issue under the Transaction Documents and undertaking all other obligations required of it under the Transaction Documents, including, without limitation, forwarding a copy of any resolution passed by a majority or qualified majority (as applicable) of the Noteholders of any Class at any time to each Rating Agency without undue delay following its publication;
- (xx) assisting the Issuer with and facilitating the identification of a suitable substitute servicer if the appointment of the Servicer under the Servicing Agreement is terminated and such termination is not due to the outsourcing of the servicing and collection of receivables and related collateral to a new direct or indirect subsidiary of the Seller or of a parent of the Seller;
- (xxi) providing the services necessary to procure that the Issuer complies with (aa) its obligations under the German Money Laundering Act (*Gesetz über das Aufspüren von Gewinnen aus schweren Straftaten – Geldwäschegesetz*), and (bb) any other legal obligations applicable to it, including but not limited to any obligations applying to the Issuer under the U.S. Foreign Account Tax Compliance Act (“**FATCA**”);
- (xxii) undertaking quarterly statistical reporting to the German central bank (*Deutsche Bundesbank*) based on the respective reporting received by it from the Servicer (enclosure S1/P1 of their reporting to the German central bank);
- (xxiii) undertaking monthly reporting to the German central bank (*Deutsche Bundesbank*) with respect to cross-border payments (*AWV-Meldungen*);
- (xxiv) acting as process agent on behalf of the Issuer in the Federal Republic of Germany;
- (xxv) providing all other services as are incidental to the above corporate services and as are from time to time agreed with the Issuer in connection with the transaction contemplated by the Transaction Documents;
- (xxvi) providing such further corporate administration services as may be required by the Issuer from time to time subject to the fees chargeable by the Corporate Administrator in accordance with the Corporate Administration Agreement;
- (xxvii) notifying the Transaction Security Trustee, the Issuer and the Servicer if no back-up servicer has been appointed within thirty (30) calendar days after the occurrence of a Back-Up Servicer Trigger Event;
- (xxviii) notifying the Transaction Security Trustee, the Issuer, the Servicer and each Rating Agency if no back-up servicer has been appointed within ninety (90) calendar days after the occurrence of a Back-Up Servicer Trigger Event; and
- (xxix) notifying the Rating Agencies of any amendment to the Terms and Conditions of the Notes.

Each party to the Corporate Administration Agreement may terminate such agreement or any part thereof for good cause (*aus wichtigem Grund*) and, if possible, give the other party and the Transaction Security Trustee not less than thirty (30) calendar days' prior notice thereof. The Issuer may, with the prior written consent of the Transaction Security Trustee, terminate the appointment of the Corporate Administrator under the Corporate Administration Agreement by giving the Corporate Administrator not less than thirty (30) calendar days' prior notice of such termination. The Corporate Administrator may at any time resign from its office by giving the Issuer and the Transaction Security Trustee not less than thirty (30) calendar days' prior notice.

Any such resignation shall become effective only upon (i) the appointment by the Issuer, with the prior written consent of the Transaction Security Trustee, of another entity (the "**New Corporate Administrator**") and (ii) the giving of prior notice of such appointment to the Noteholders in accordance with Condition 13 (*Form of Notices*) of the Terms and Conditions. If the Issuer fails to appoint a New Corporate Administrator within ten (10) calendar days after receipt of the resignation notice given by the Corporate Administrator in accordance with item (b) above, then the resigning Corporate Administrator may appoint such New Corporate Administrator in the name and for the account of the Issuer by giving (i) prior notice of such appointment to the Noteholders in accordance with Condition 13 (*Form of Notices*) of the Terms and Conditions and (ii) at least fifteen (15) calendar days' prior notice of such appointment to the Issuer and the Transaction Security Trustee in accordance with the Corporate Administration Agreement.

In the event the Corporate Administrator resigns from office in accordance with the Corporate Administration Agreement without good cause (*ohne wichtigen Grund*) or the Issuer terminates the appointment of the Corporate Administrator due to its conduct constituting good cause (*wichtiger Grund*) for termination, the Corporate Administrator shall bear all costs and expenses directly associated with the appointment of a New Corporate Administrator (including the costs of all required publications and legal fees, if any).

Upon the termination or resignation of the Corporate Administrator becoming effective, the Corporate Administrator shall deliver to the Issuer, as it shall direct, all books of accounts, papers, records, registers, correspondence and documents in its possession or under its control relating to the affairs of or belonging to the Issuer, any original contracts and/or Transaction Documents, any monies then held by the Corporate Administrator on behalf of the Issuer and any other assets of the Issuer and shall take such further action as the Issuer may reasonably direct.

At any time following the appointment of a New Corporate Administrator in accordance with the terms of the Corporate Administration Agreement, the Corporate Administrator shall:

- (i) provide to the New Corporate Administrator all such information available to the Corporate Administrator as the New Corporate Administrator may reasonably require for the purposes of performing the functions of corporate administrator under the Corporate Administration Agreement;
- (ii) take such further action within its power with regard to the appointment of a New Corporate Administrator as the Issuer or the Transaction Security Trustee may reasonably request; and

- (iii) not take any action which would be likely to have a material adverse effect on the ability of the New Corporate Administrator to perform its obligations under the Corporate Administration Agreement.

Master Definitions Agreement

Pursuant to the Master Definitions Agreement the Issuer, the Purchaser, the Borrower, the Corporate Administrator, the Data Trustee, the Transaction Security Trustee, the Account Bank, the Principal Paying Agent, the Calculation Agent, the Cash Manager, the Manager, the Seller, the Subordinated Loan Provider and the Funding Loan Provider have agreed that except where expressly stated to the contrary or where the context otherwise requires, the definitions set out therein shall apply to the terms and expressions referred to but not otherwise defined in a Transaction Document. See "SCHEDULE 1 DEFINITIONS".

EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS

The expected average life of the Class A Notes and the Class B Notes cannot be predicted as the actual rate at which the Purchased Receivables will be repaid and a number of other relevant factors are unknown.

Calculated estimates as to the expected average life of the Class A Notes and the Class B Notes can be made based on certain assumptions. These estimates have certain inherent limitations. No representations are made that such estimates are accurate, that all assumptions relating to such estimates have been considered or stated or that such estimates will be realised.

The table below shows the expected average life of the Class A Notes and the Class B Notes based on the following assumptions:

- (a) that the Purchased Receivables are subject to a constant rate of prepayment as shown in the table below;
- (b) that no Purchased Receivables are sold by the Issuer except as contemplated in the Credit and Collection Policy;
- (c) that the Notes are issued on the Note Issuance Date of 20 March 2014;
- (d) that the Purchased Receivables continue to be fully performing; and that the clean-up call option will be exercised in accordance with the Receivables Purchase Agreement and Condition 7.5 of the Terms and Conditions;
- (e) that the cumulative gross loss is 0 % of the initial Aggregate Outstanding Principal Amount.

CPR (per cent.)	Class A Notes			Class B Notes		
	Average Life in Years	First Principal Payment Date	Expected Maturity	Average Life in Years	First Principal Payment Date	Expected Maturity
0.00%	4.77	April 2017	April 2021	7.08	April 2021	April 2021
10.00%	4.56	April 2017	Jan 2021	6.83	Jan 2021	Jan 2021
20.00%	4.34	April 2017	Sept 2020	6.50	Sept 2020	Sept 2020
30.00%	4.14	April 2017	April 2020	6.08	April 2020	April 2020
40.00%	3.96	April 2017	Dec 2019	5.75	Dec 2019	Dec 2019

Assumption (a) above is stated as an average annualised prepayment rate as the prepayment rate for one Interest Period may be substantially different from that for another. The constant prepayment rates shown above are purely illustrative and do not represent the full range of possibilities for constant prepayment rates.

Assumption (c) above relates to circumstances which are not predictable.

The average lives of the Class A Notes and the Class B Notes are subject to factors largely outside of the Issuer's control and consequently no assurance can be given that the assumptions and estimates above will prove in any way to be realistic and they must therefore be viewed with considerable caution.

DESCRIPTION OF THE PORTFOLIO

The Portfolio consists of the Purchased Receivables arising under the Loan Contracts and the Related Collateral, originated by the Seller pursuant to the Credit and Collection Policy. See "CREDIT AND COLLECTION POLICY". The Purchased Receivables included in the Portfolio are derived from a portfolio of loans to retail customers to finance general consumer requirements and/or consumer goods and were acquired by the Issuer pursuant to the Receivables Purchase Agreement. The Aggregate Outstanding Principal Amount as of the beginning of business (in Mönchengladbach) on 28 February 2014 was EUR 1,349,999,986.41.

The Purchased Receivables acquired and transferred by assignment under the Receivables Purchase Agreement from the Seller generally have characteristics that demonstrate capacity to produce funds to service payments due and payable on the Notes, however, the Seller does not warrant the solvency (credit standing) of the relevant Debtors.

ELIGIBILITY CRITERIA

The following criteria ("**Eligibility Criteria**") must have been met by the Receivables to have been eligible for acquisition by the Purchaser pursuant to the Receivables Purchase Agreement.

A Receivable (or any part of it or the pool of Receivables, as applicable) is an eligible receivable if it and any part thereof meet the following conditions:

1. The Receivable
 - (i) was originated in the ordinary course of business of the Seller in accordance with the Credit and Collection Policy of the Seller under a Loan Contract with defined instalment amounts (*Ratenkreditvertrag*) which shall become due for payment on a monthly basis and is based on the applicable general terms and conditions of business of the Seller and on the standard loan templates which are compliant with German law;
 - (ii) was originated after 10 June 2010;
 - (iii) is denominated and payable in euro;
 - (iv) the Loan Contract under which it arises has not been terminated;
 - (v) the loan facility under the relevant Loan Contract has been fully drawn by the relevant Debtor;
 - (vi) the Loan Contract under which it arises has a minimum remaining term of 1 (one) month, and its original term is not greater than 98 (ninety-eight) months;
 - (vii) is not a profit participating loan (*partiarisches Darlehen*) and has a fixed interest rate and is fully amortising through payment of constant monthly instalments (except for the first instalment or the final instalment payable under the relevant Loan Contract which may differ from the monthly instalments payable for subsequent or previous months); and
 - (viii) is not secured by German real estate or ships which are registered with a German ship register.
2. On the relevant Purchase Date, the weighted average interest rate of all Purchased Receivables (including the Receivable and any other Receivable to be purchased on the same Purchase Date) is at least equal to 7.25% per annum.
3. On the relevant Purchase Date, the weighted average remaining term of the Loan Contracts relating to all Purchased Receivables (including the Receivable and any other Receivable to be purchased on the same Purchase Date) does not exceed seventy-two and a half (72.5) months.
4. The Receivable exists and constitutes legally valid, binding and enforceable obligations of the respective Debtor and is not subject to any executed right of revocation (*ausgeübter Widerruf*), set-off or counter-claim (other than potential set-off rights and counter-claims resulting from Seller Deposits held by the relevant Debtor) or warranty claims of the Debtors and no other right of objection, irrespective of whether the Purchaser knew or could have known of the existence of objections, defences or counter-rights.

5. The Receivable may be segregated and identified at any time for purposes of ownership and Related Collateral in the electronic files of the Seller and such electronic files and the relating software is able to provide the information to be included in the offer with respect to such Receivables and Related Collateral pursuant to the Receivables Purchase Agreement.
6. The Seller has fully complied with any applicable consumer legislation, in particular
 - (i) those Sections of the German Civil Code (*Bürgerliches Gesetzbuch*) and the Regulation on Information Duties of 5 August 2002, as amended (collectively, the "**Distance Marketing Provisions**"), which relate to distance marketing of consumer financial services (*Fernabsatzverträgen bei Finanzdienstleistungen*) and
 - (ii) those provisions of the German civil law which relate to consumer credit contracts (*Verbraucherdarlehensverträge*) effective as of 11 June 2010 (implementation of the European Consumer Loan Directive into German law),and the 2 weeks revocation period (*zweiwöchige Widerrufsfrist*, Section 355 (1) of the German Civil Code – *Bürgerliches Gesetzbuch*) has lapsed with respect to each Loan Contract.
7. The Receivable is not, as of the relevant Purchase Date (with respect to any Loan Instalment under the relevant Loan Contract), a Delinquent Receivable (and for the avoidance of doubt it is hereby agreed that any return of any amounts received by the Seller or the Servicer by way of direct debit (*Lastschrift*) to the relevant Debtor or intermediary credit institution because of a return of such direct debit (*Rücklastschrift*) shall not render the relevant Receivable to be an ineligible Receivable ab initio if, but only if, such Debtor has objected (*widersprechen*) to such direct debit within six weeks of such debit), Defaulted Receivable or Disputed Receivable, and in particular the Debtor has not yet terminated or threatened to terminate the relevant Loan Contract, in each of the foregoing cases with respect to any Loan Instalment under the relevant Loan Contract and it is payable by a Debtor which is not the Debtor of any Defaulted Receivable. No breach of any obligation under any agreement (except for the obligation to pay) of any party exists with respect to the Receivable, the Seller has fully complied with its obligations under the Loan Contract.
8. The Receivable is a claim which can be transferred by way of assignment without the consent of the related Debtor and which shall be validly transferred, together with the Related Collateral, to the Purchaser in the manner contemplated by the Receivables Purchase Agreement.
9. The Receivable is a Receivable (including any part thereof and the Related Collateral) to which the Seller is fully entitled, free of any rights of any third party, over which the Seller may freely dispose and in respect of which the Purchaser will, upon acceptance of the Offer for the purchase of such Receivable as contemplated in the Receivables Purchase Agreement, acquire the title unencumbered by any counterclaim, set-off right, other objection and Adverse Claims (other than those of the Debtor under the related Loan Contract); in particular, such Receivable (and the Related Collateral) has not been assigned to any third party for refinancing and has been documented in a set of documents which desig-

nates the acquisition costs thereof, the related Debtor, the Loan Instalments, the applicable interest rate, the initial due dates and the term of the Loan Contract.

10. The Receivable which does not already meet the criteria under 4, above, has been created in compliance with all applicable laws, rules and regulations (in particular with respect to consumer protection and data protection) and all required consents, approvals and authorisations have been obtained in respect thereof and neither the Seller nor the Debtor are in violation of any such law, rule or regulation.
11. The Receivable is subject to German law.
12. The assignment of the Receivable does not violate any law or agreements (in particular with respect to consumer protection and data protection) to which the Seller is bound. Following the assignment of the Receivable and Related Collateral, such Receivable and the Related Collateral shall not be available to the creditors of the Seller on the occasion of any insolvency of the Seller.
13. At least 2 (two) due Loan Instalments have been fully paid for the Receivable prior to the respective Purchase Date.
14. The Receivable together with any other Receivables to be purchased on the same Purchase Date and (as relevant) all Purchased Receivables does not exceed the Concentration Limit on the Purchase Date on which it is purchased. "**Concentration Limit**" shall mean that the sum of the Outstanding Principal Amount of the Receivable and the Aggregate Outstanding Principal Amount of any other Receivable to be purchased on the same Purchase Date and all Purchased Receivables owed by the Debtor owing the Receivable does not exceed EUR 150,000 on the relevant Purchase Date.
15. The Receivable is due from a Debtor who is either a private individual resident in Germany or a self-employed individual resident in Germany.
16. The Receivable is due from a Debtor who is not insolvent or bankrupt (*zahlungsunfähig*, including imminent inability to pay its debts (*drohende Zahlungsunfähigkeit*)) or over-indebted (*überschuldet*) and against whom no proceedings for the commencement of insolvency proceedings are pending in any jurisdiction.
17. The Receivable is not due from a Debtor who is an employee, officer or an Affiliate to the Seller. "**Affiliate**" shall mean any related enterprise and in particular any affiliated enterprise (*verbundenes Unternehmen*) within the meaning of Section 15 of the German Stock Corporation Act (*Aktiengesetz*).
18. The Receivable does not arise under a Loan Contract which constitutes a balloon loan. A "**balloon loan**" is a loan where the final payment due is higher than any of the previous loan instalments payable by the relevant Debtor.

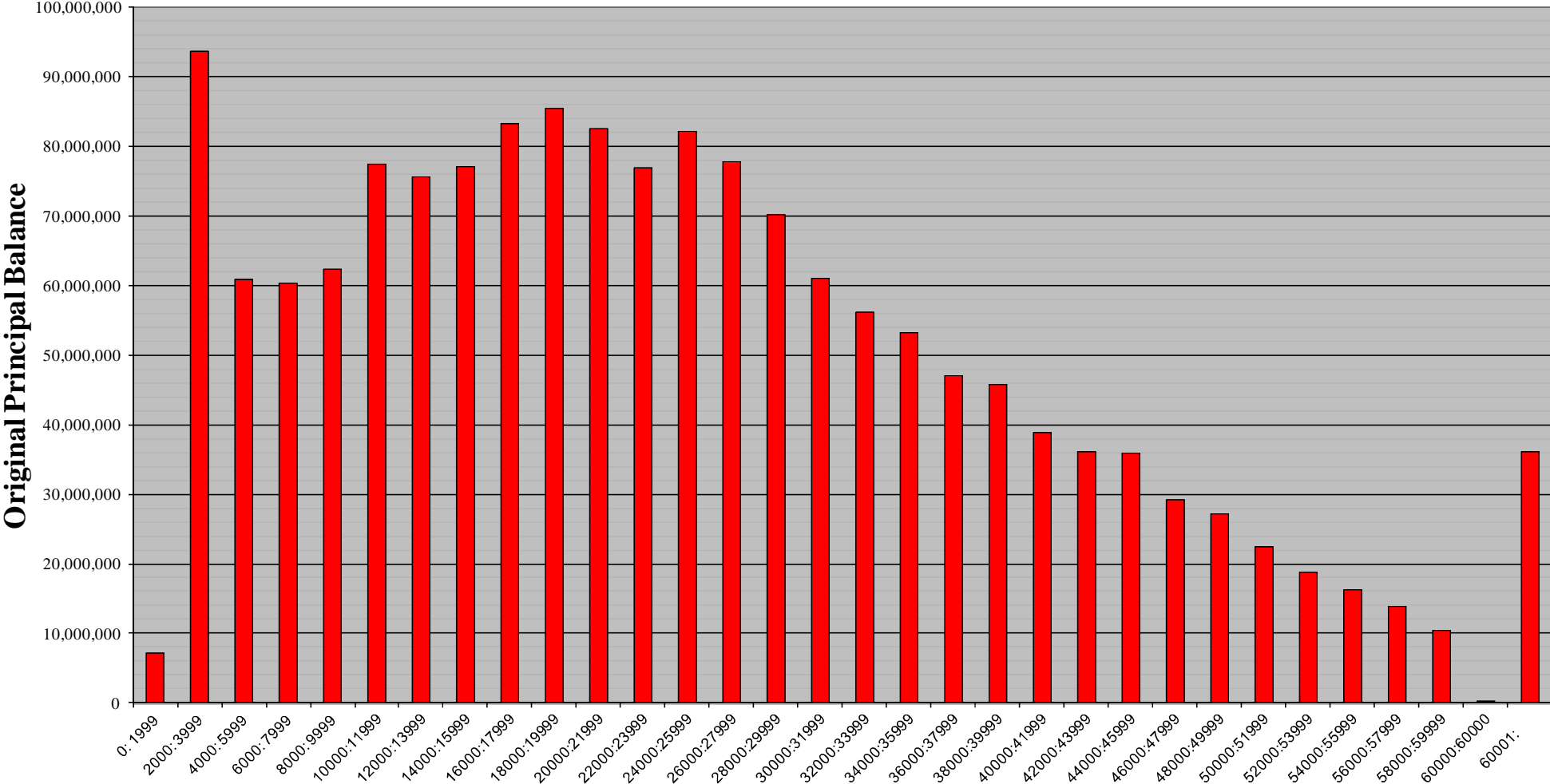
INFORMATION TABLES REGARDING THE PORTFOLIO

1. Original Principal Balance

<i>Original Principal Balance (Ranges in EUR)</i>	<i>Original Principal Balance in EUR</i>	<i>Percentage of Balance</i>	<i>Number of Loans</i>	<i>Percentage of Loans</i>
0: 1999	7,230,177.75	0.45%	5,288	4.34%
2000: 3999	93,660,619.24	5.78%	31,782	26.09%
4000: 5999	60,888,819.17	3.76%	12,297	10.09%
6000: 7999	60,361,096.60	3.72%	8,703	7.14%
8000: 9999	62,326,902.13	3.84%	6,964	5.72%
10000:11999	77,367,065.69	4.77%	7,082	5.81%
12000:13999	75,593,317.22	4.66%	5,834	4.79%
14000:15999	77,082,828.27	4.75%	5,145	4.22%
16000:17999	83,223,534.01	5.13%	4,901	4.02%
18000:19999	85,421,309.11	5.27%	4,500	3.69%
20000:21999	82,487,899.93	5.09%	3,936	3.23%
22000:23999	76,785,996.73	4.74%	3,341	2.74%
24000:25999	82,084,217.81	5.06%	3,285	2.70%
26000:27999	77,799,071.78	4.80%	2,884	2.37%
28000:29999	70,174,637.87	4.33%	2,422	1.99%
30000:31999	61,057,296.43	3.77%	1,972	1.62%
32000:33999	56,178,157.36	3.47%	1,703	1.40%
34000:35999	53,189,477.21	3.28%	1,522	1.25%
36000:37999	46,962,126.11	2.90%	1,270	1.04%
38000:39999	45,728,227.24	2.82%	1,173	0.96%
40000:41999	38,813,249.17	2.39%	948	0.78%
42000:43999	36,037,386.20	2.22%	839	0.69%
44000:45999	35,978,885.11	2.22%	800	0.66%
46000:47999	29,249,784.37	1.80%	623	0.51%
48000:49999	27,232,213.14	1.68%	556	0.46%
50000:51999	22,520,978.90	1.39%	442	0.36%
52000:53999	18,858,122.64	1.16%	356	0.29%
54000:55999	16,242,405.45	1.00%	295	0.24%
56000:57999	13,951,231.55	0.86%	245	0.20%
58000:59999	10,435,791.53	0.64%	177	0.15%
60000:60000	60,000.00	0.00%	1	0.00%
60001:	36,152,539.51	2.23%	544	0.45%
Total	1,621,135,365.23	100.00%	121,830	100.00%

Statistics	in EUR
Average Amount	13,306.54

1.2 Original Principal Balance (Graph)

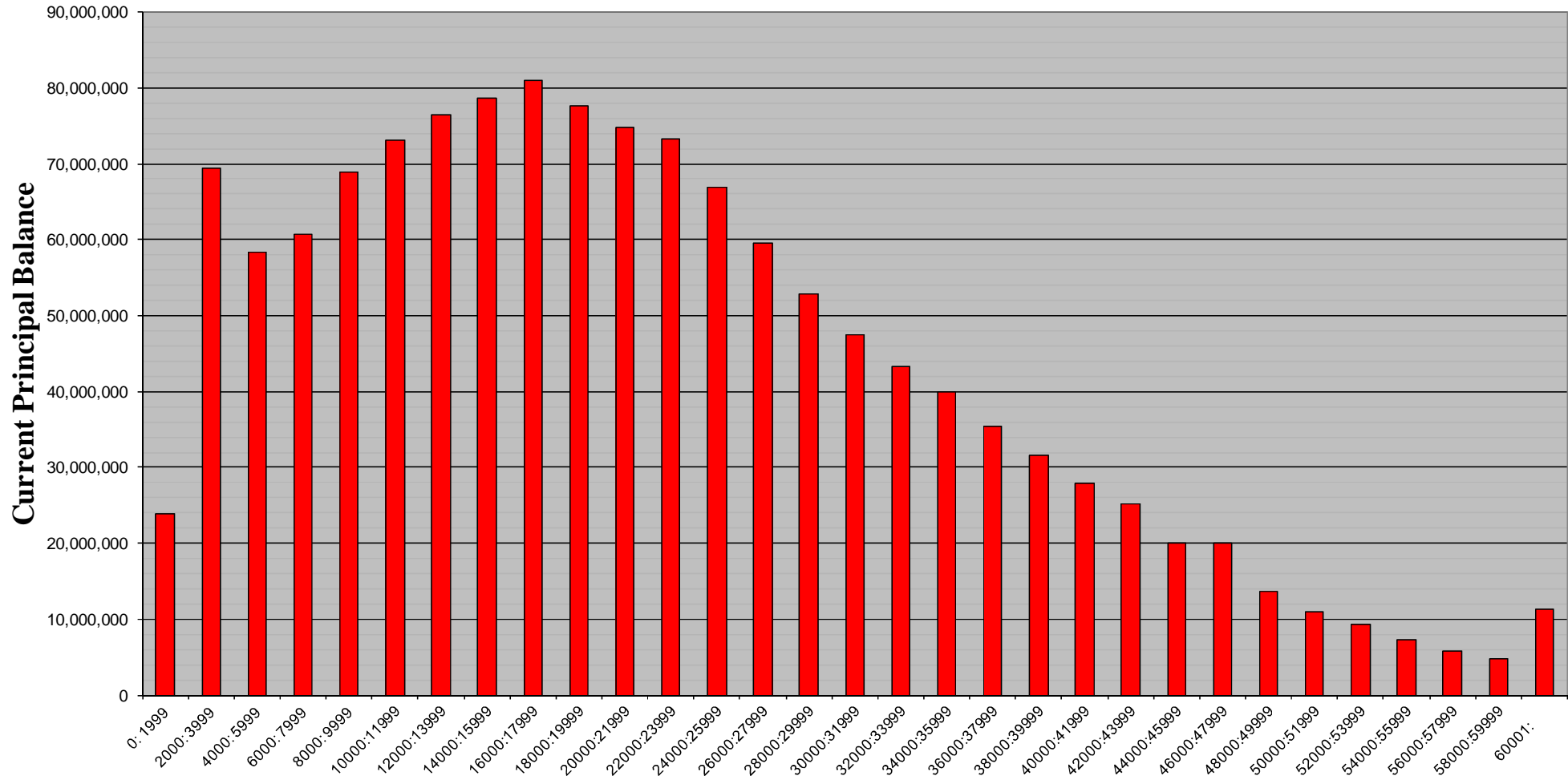


2. Current Principal Balance

<i>Current Principal Balance (Ranges in EUR)</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Balance</i>	<i>Number of Loans</i>	<i>Percentage of Loans</i>
0: 1999	23,928,073.37	1.77%	19,292	15.84%
2000: 3999	69,335,246.81	5.14%	25,144	20.64%
4000: 5999	58,405,430.39	4.33%	11,801	9.69%
6000: 7999	60,762,862.81	4.50%	8,725	7.16%
8000: 9999	68,968,924.66	5.11%	7,685	6.31%
10000:11999	73,089,608.17	5.41%	6,658	5.46%
12000:13999	76,478,288.97	5.67%	5,895	4.84%
14000:15999	78,614,649.27	5.82%	5,247	4.31%
16000:17999	80,963,919.99	6.00%	4,764	3.91%
18000:19999	77,603,512.25	5.75%	4,090	3.36%
20000:21999	74,814,015.29	5.54%	3,567	2.93%
22000:23999	73,233,897.02	5.42%	3,187	2.62%
24000:25999	66,918,420.74	4.96%	2,681	2.20%
26000:27999	59,557,102.63	4.41%	2,208	1.81%
28000:29999	52,793,764.74	3.91%	1,822	1.50%
30000:31999	47,550,034.38	3.52%	1,535	1.26%
32000:33999	43,355,494.00	3.21%	1,316	1.08%
34000:35999	39,997,006.29	2.96%	1,143	0.94%
36000:37999	35,435,344.58	2.62%	958	0.79%
38000:39999	31,590,108.76	2.34%	810	0.66%
40000:41999	27,964,711.31	2.07%	683	0.56%
42000:43999	25,209,899.29	1.87%	586	0.48%
44000:45999	20,020,065.97	1.48%	445	0.37%
46000:47999	20,019,658.76	1.48%	426	0.35%
48000:49999	13,659,148.74	1.01%	279	0.23%
50000:51999	11,056,698.10	0.82%	217	0.18%
52000:53999	9,380,285.92	0.69%	177	0.15%
54000:55999	7,371,772.70	0.55%	134	0.11%
56000:57999	5,758,177.70	0.43%	101	0.08%
58000:59999	4,780,441.77	0.35%	81	0.07%
60001:	11,383,421.03	0.84%	173	0.14%
Total	1,349,999,986.41	100.00%	121,830	100.00%

Statistics	in EUR
Average Amount	11,081.01

2.1 Current Principal Balance (Graph)



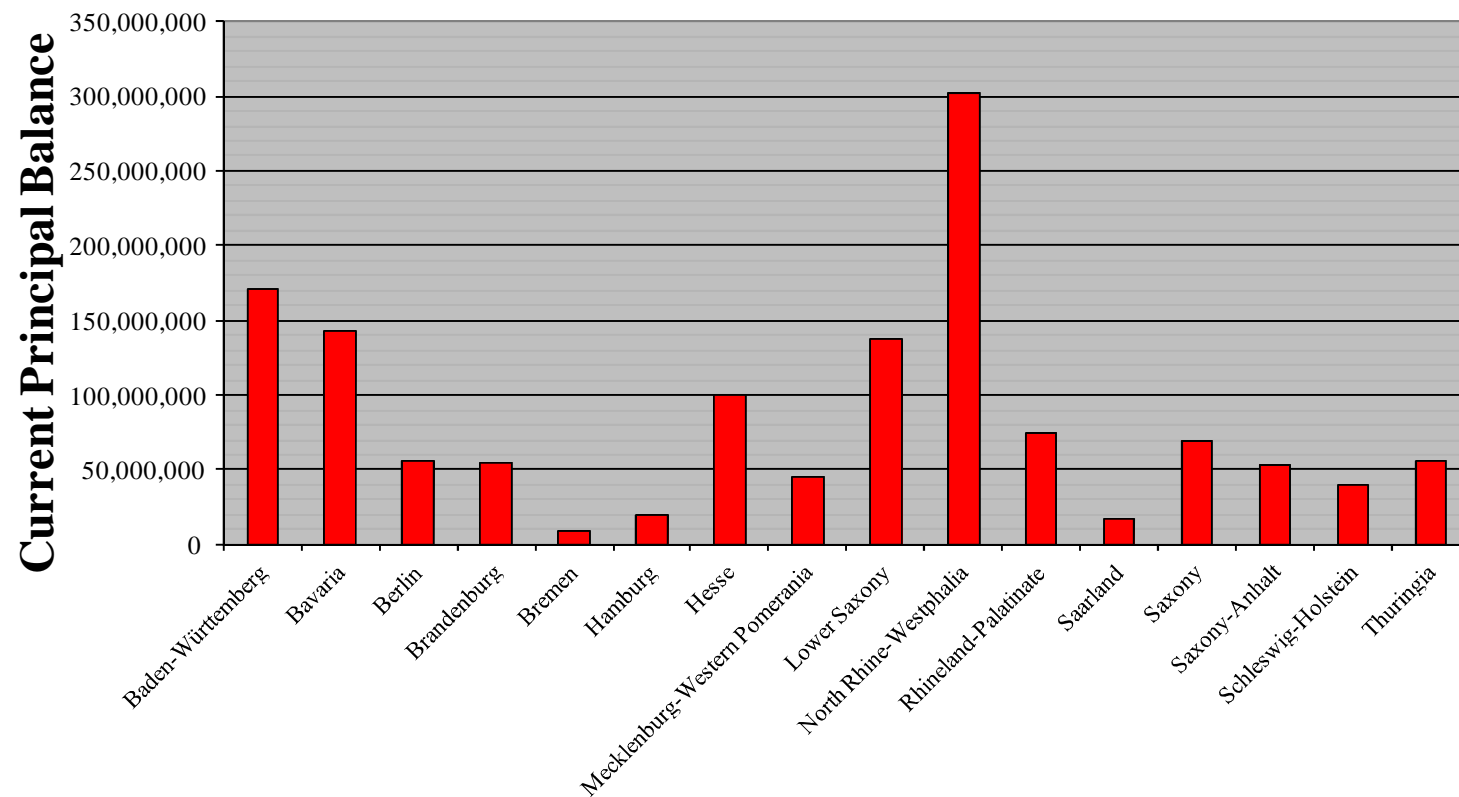
3. Borrower Concentration

<i>No</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Balance</i>	<i>Number of Loans</i>
1	89,220.64	0.0066%	1
2	87,351.82	0.0065%	1
3	86,829.03	0.0064%	1
4	84,092.27	0.0062%	1
5	83,726.07	0.0062%	1
6	83,661.38	0.0062%	1
7	83,271.59	0.0062%	1
8	82,481.70	0.0061%	1
9	81,787.00	0.0061%	1
10	80,967.47	0.0060%	1
11	79,458.31	0.0059%	1
12	77,747.03	0.0058%	1
13	76,453.22	0.0057%	1
14	75,981.13	0.0056%	1
15	75,434.69	0.0056%	1
16	74,804.68	0.0055%	1
17	74,772.06	0.0055%	1
18	74,622.99	0.0055%	1
19	74,142.05	0.0055%	1
20	73,706.91	0.0055%	1
21	73,546.74	0.0054%	1
22	73,117.46	0.0054%	1
23	73,068.31	0.0054%	1
24	72,564.33	0.0054%	1
25	72,076.83	0.0053%	1
	1,964,885.71	0.1455%	25

4. Geographical Distribution

<i>State</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Balance</i>	<i>Number of Loans</i>	<i>Percentage of Loans</i>
Baden-Württemberg	170,905,306.96	12.66%	14,526	11.92%
Bavaria	142,974,902.66	10.59%	13,582	11.15%
Berlin	56,595,268.76	4.19%	5,693	4.67%
Brandenburg	54,491,208.60	4.04%	5,273	4.33%
Bremen	8,799,507.05	0.65%	775	0.64%
Hamburg	20,241,307.45	1.50%	2,208	1.81%
Hesse	100,236,870.59	7.42%	8,729	7.16%
Mecklenburg-Western Pomerania	45,017,736.89	3.33%	4,229	3.47%
Lower Saxony	137,927,221.90	10.22%	12,247	10.05%
North Rhine-Westphalia	302,127,623.60	22.38%	25,626	21.03%
Rhineland-Palatinate	74,147,841.13	5.49%	6,291	5.16%
Saarland	17,627,711.65	1.31%	1,490	1.22%
Saxony	69,340,806.95	5.14%	6,801	5.58%
Saxony-Anhalt	53,566,246.21	3.97%	5,137	4.22%
Schleswig-Holstein	39,937,061.94	2.96%	4,042	3.32%
Thuringia	56,063,364.07	4.15%	5,181	4.25%
Total	1,349,999,986.41	100.00%	121,830	100.00%

4.1 Geographical (Graph)



5. Collateral

<i>Collateral</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Balance</i>	<i>Number of Loans</i>	<i>Percentage of Loans</i>
secured	415,223,966.84	30.76%	20,688	16.98%
unsecured	934,776,019.57	69.24%	101,142	83.02%
Total	1,349,999,986.41	100.00%	121,830	100.00%

6. Insurance Coverage

<i>Payment Protection Insurance</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Balance</i>	<i>Number of Loans</i>	<i>Percentage of Loans</i>
No	132,177,174.80	9.79%	19,849	16.29%
Yes	1,217,822,811.61	90.21%	101,981	83.71%
Total	1,349,999,986.41	100.00%	121,830	100.00%

7. Payment Methods

<i>Payment Method</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Balance</i>	<i>Number of Loans</i>	<i>Percentage of Loans</i>
Direct Debit	1,337,240,557.14	99.05%	120,820	99.17%
Other	12,759,429.27	0.95%	1,010	0.83%
Total	1,349,999,986.41	100.00%	121,830	100.00%

<i>Payment Cycle</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Balance</i>	<i>Number of Loans</i>	<i>Percentage of Loans</i>
15th of month	371,222,564.74	27.50%	37,863	31.08%
1st of month	978,777,421.67	72.50%	83,967	68.92%
Total	1,349,999,986.41	100.00%	121,830	100.00%

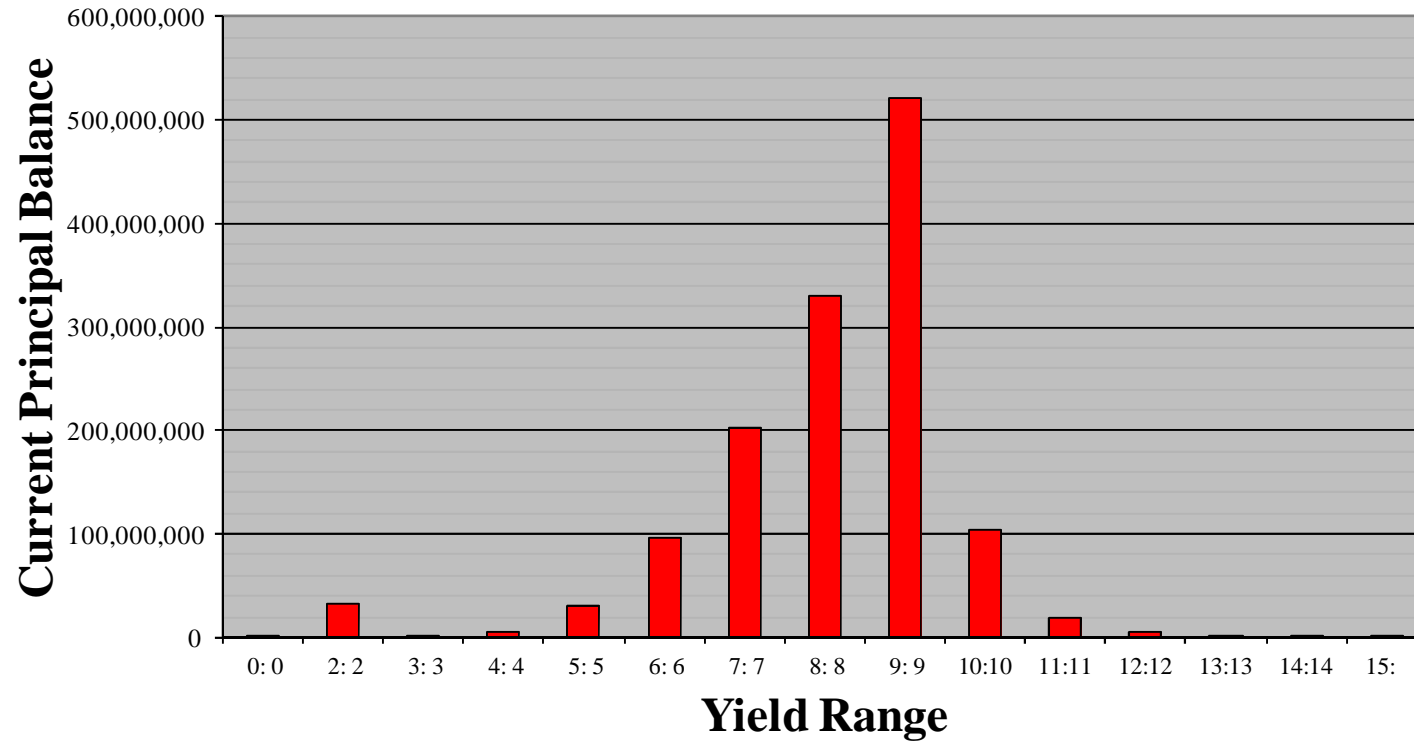
8. Customer Yield

<i>Yield Range *</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Balance</i>	<i>Number of Loans</i>	<i>Percentage of Loans</i>
0: 0	3,467.86	0.00%	5	0.00%
2: 2	33,340,655.78	2.47%	18,642	15.30%
3: 3	1,390,287.58	0.10%	519	0.43%
4: 4	5,372,076.58	0.40%	1,995	1.64%
5: 5	31,151,269.59	2.31%	1,767	1.45%
6: 6	96,106,751.55	7.12%	8,660	7.11%
7: 7	203,006,024.50	15.04%	16,895	13.87%
8: 8	329,072,042.02	24.38%	30,561	25.08%
9: 9	520,445,267.47	38.55%	32,552	26.72%
10:10	103,430,204.02	7.66%	7,941	6.52%
11:11	19,864,956.24	1.47%	1,613	1.32%
12:12	5,397,707.93	0.40%	492	0.40%
13:13	1,322,541.16	0.10%	169	0.14%
14:14	92,266.47	0.01%	17	0.01%
15:	4,467.66	0.00%	2	0.00%
Total	1,349,999,986.41	100.00%	121,830	100.00%

Statistics	in %
WA Interest	8.87%

* runs from .00 to .99

8.1 Customer Yield (Graph)



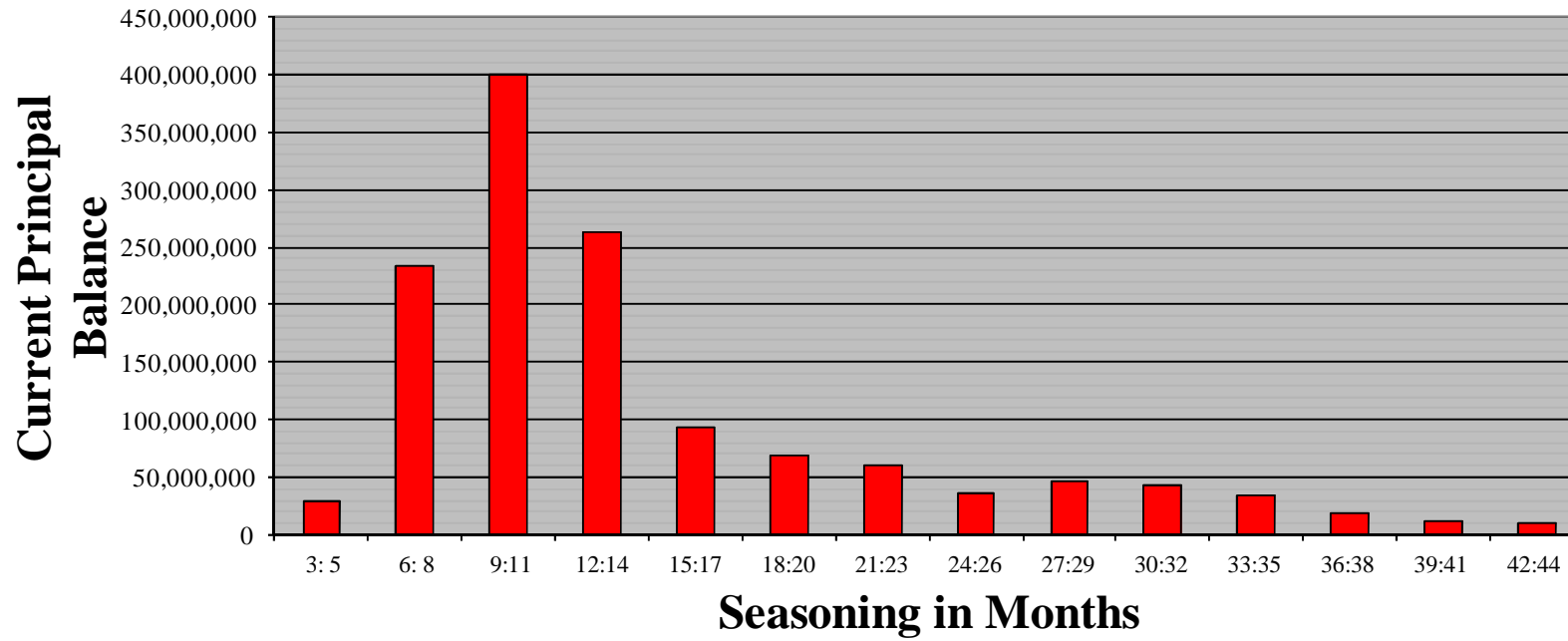
9. Seasoning

<i>Seasoning in Months</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Balance</i>	<i>Number of Loans</i>	<i>Percentage of Loans</i>
3: 5	28,472,952.83	2.11%	5,949	4.88%
6: 8	233,924,464.94	17.33%	21,010	17.25%
9:11	399,241,748.05	29.57%	40,107	32.92%
12:14	263,021,581.35	19.48%	23,527	19.31%
15:17	94,093,340.32	6.97%	6,162	5.06%
18:20	69,139,898.68	5.12%	4,374	3.59%
21:23	61,089,868.71	4.53%	4,095	3.36%
24:26	36,896,081.90	2.73%	2,703	2.22%
27:29	45,872,685.76	3.40%	3,705	3.04%
30:32	43,132,590.92	3.20%	3,455	2.84%
33:35	34,596,514.49	2.56%	2,796	2.30%
36:38	19,272,926.88	1.43%	1,718	1.41%
39:41	11,772,188.09	0.87%	1,171	0.96%
42:44	9,473,143.49	0.70%	1,058	0.87%
Total	1,349,999,986.41	100.00%	121,830	100.00%

Statistics

WA Seasoning	14.55
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9.1 Seasoning (Graph)



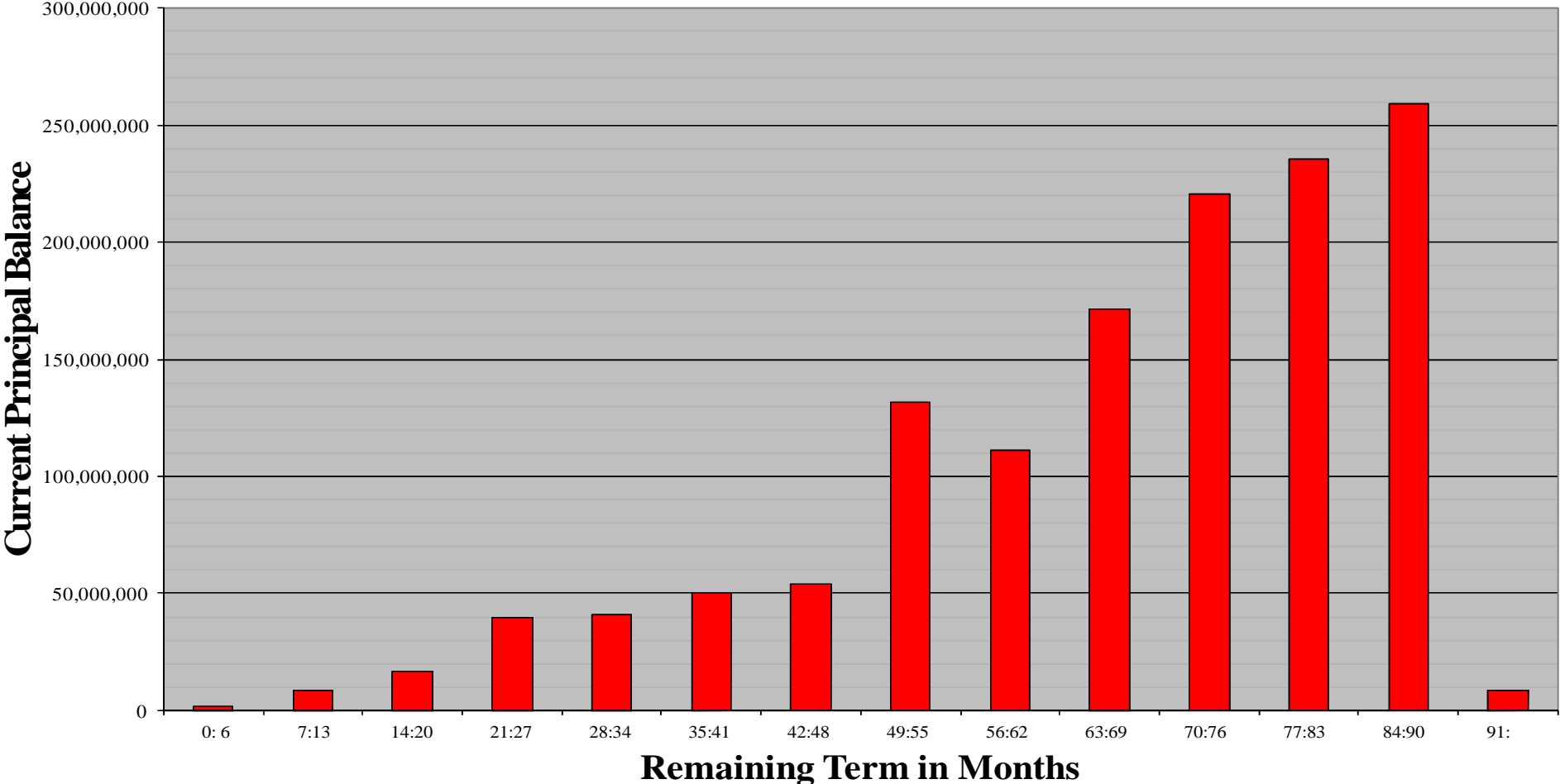
10. **Remaining Term**

<i>Remaining Term in Months</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Balance</i>	<i>Number of Loans</i>	<i>Percentage of Loans</i>
0:6	1,839,914.65	0.14%	3,211	2.64%
7:13	8,917,453.77	0.66%	6,292	5.16%
14:20	16,742,583.14	1.24%	7,375	6.05%
21:27	39,748,313.98	2.94%	13,471	11.06%
28:34	40,924,130.98	3.03%	9,825	8.06%
35:41	50,139,850.52	3.71%	7,146	5.87%
42:48	53,789,954.17	3.98%	5,423	4.45%
49:55	131,489,078.49	9.74%	11,287	9.26%
56:62	111,216,015.23	8.24%	7,919	6.50%
63:69	171,765,586.39	12.72%	10,751	8.82%
70:76	220,303,093.22	16.32%	12,540	10.29%
77:83	235,445,402.26	17.44%	12,565	10.31%
84:90	258,808,868.30	19.17%	13,517	11.09%
91:	8,869,741.31	0.66%	508	0.42%
Total	1,349,999,986.41	100.00%	121,830	100.00%

Statistics

WA Remaining Term	66.67
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10.1 Remaining Term (Graph)



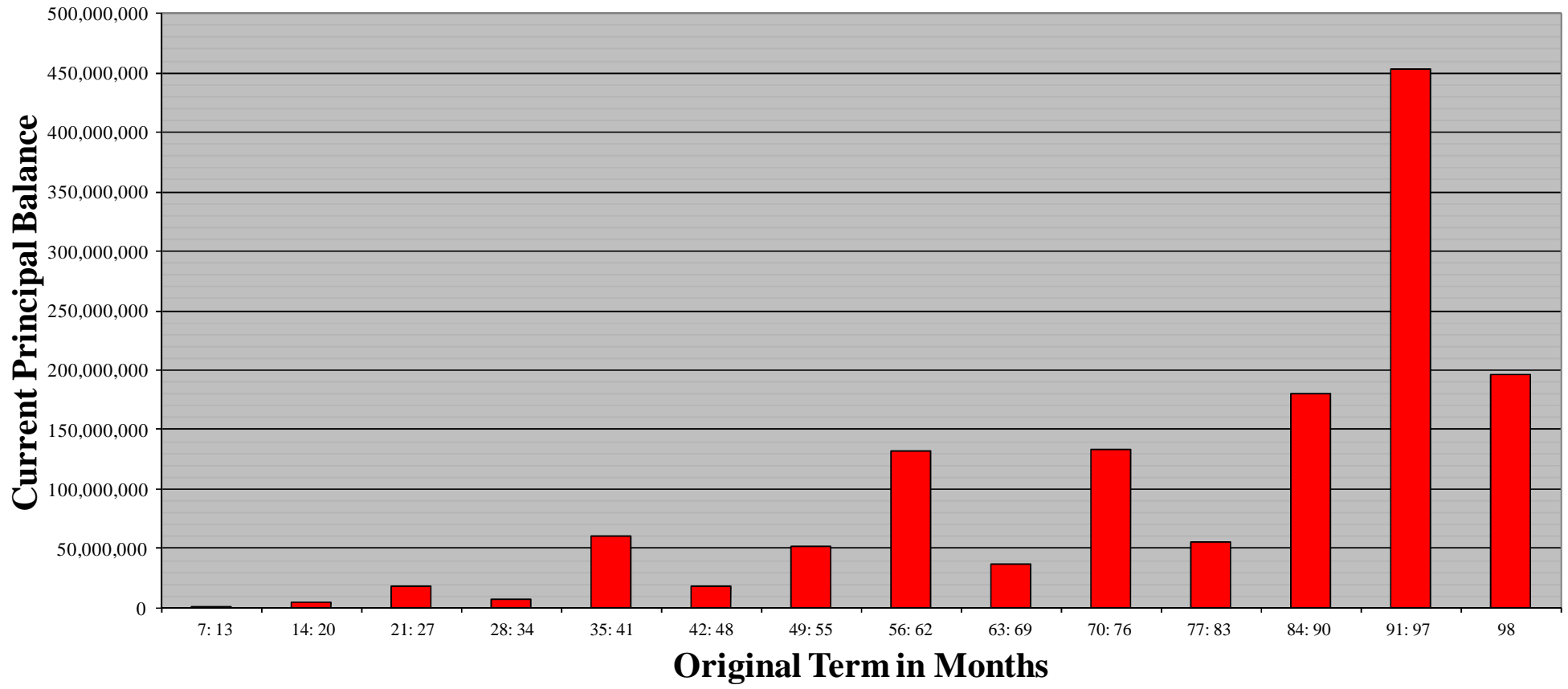
11. Original Term

<i>Original Term in Months</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Balance</i>	<i>Number of Loans</i>	<i>Percentage of Loans</i>
7: 13	1,628,566.77	0.12%	2,261	1.86%
14: 20	4,228,157.82	0.31%	3,628	2.98%
21: 27	18,657,783.43	1.38%	9,727	7.98%
28: 34	6,805,987.56	0.50%	1,975	1.62%
35: 41	60,063,733.93	4.45%	19,640	16.12%
42: 48	18,133,417.01	1.34%	3,367	2.76%
49: 55	52,330,974.06	3.88%	7,085	5.82%
56: 62	131,500,854.70	9.74%	12,460	10.23%
63: 69	36,335,363.32	2.69%	2,476	2.03%
70: 76	133,716,623.44	9.90%	8,607	7.06%
77: 83	55,557,239.97	4.12%	2,690	2.21%
84: 90	180,487,750.06	13.37%	9,490	7.79%
91: 97	453,655,102.84	33.60%	26,743	21.95%
98	196,898,431.50	14.59%	11,681	9.59%
Total	1,349,999,986.41	100.00%	121,830	100.00%

Statistics

WA Original Term	81.22
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11.1 Original Term (Graph)



12. Loan Concentration

<i>Loan Concentration</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Balance</i>	<i>Number of Loans</i>	<i>Percentage of Loans</i>	<i>Number of Debtors</i>	<i>Percentage of Debtors</i>
1: 1	1,341,655,806.75	99.38%	120,769	99.13%	120,769	99.56%
2: 2	8,295,064.71	0.61%	1,046	0.86%	523	0.43%
3: 3	49,114.95	0.00%	15	0.01%	5	0.00%
Total	1,349,999,986.41	100.00%	121,830	100.00%	121,297	100.00%

HISTORICAL DATA

1. Delinquencies

Delinquencies 31-60 Days, 61-90 Days and >90 Days Past Due in % Total Portfolio

as of 31.12.2013

Year	2004			2005			2006			2007			2008		
days past due	31-60	61-90	>90	31-60	61-90	>90	31-60	61-90	>90	31-60	61-90	>90	31-60	61-90	>90
January	0.40%	0.11%	0.08%	0.29%	0.07%	0.05%	0.23%	0.06%	0.04%	0.56%	0.27%	0.26%	0.54%	0.25%	0.23%
February	0.37%	0.12%	0.08%	0.35%	0.08%	0.05%	0.28%	0.06%	0.04%	0.64%	0.27%	0.26%	0.52%	0.24%	0.21%
March	0.32%	0.10%	0.07%	0.31%	0.08%	0.05%	0.58%	0.07%	0.03%	0.62%	0.32%	0.21%	0.61%	0.27%	0.19%
April	0.36%	0.09%	0.07%	0.34%	0.09%	0.05%	0.44%	0.25%	0.05%	0.70%	0.30%	0.22%	0.60%	0.27%	0.21%
May	0.43%	0.10%	0.07%	0.33%	0.09%	0.05%	0.62%	0.22%	0.13%	0.60%	0.31%	0.25%	0.66%	0.28%	0.24%
June	0.41%	0.10%	0.07%	0.28%	0.08%	0.04%	0.74%	0.33%	0.16%	0.62%	0.28%	0.25%	0.58%	0.33%	0.26%
July	0.41%	0.11%	0.07%	0.27%	0.08%	0.04%	0.67%	0.34%	0.20%	0.66%	0.27%	0.25%	0.56%	0.27%	0.30%
August	0.36%	0.10%	0.07%	0.26%	0.06%	0.04%	0.63%	0.28%	0.23%	0.62%	0.28%	0.25%	0.64%	0.31%	0.24%
September	0.33%	0.11%	0.06%	0.25%	0.06%	0.04%	0.65%	0.32%	0.23%	0.59%	0.29%	0.27%	0.60%	0.35%	0.23%
October	0.31%	0.10%	0.07%	0.26%	0.06%	0.04%	0.63%	0.32%	0.26%	0.64%	0.25%	0.26%	0.56%	0.35%	0.19%
November	0.33%	0.08%	0.06%	0.26%	0.07%	0.04%	0.59%	0.31%	0.27%	0.56%	0.29%	0.21%	0.63%	0.31%	0.18%
December	0.29%	0.08%	0.05%	0.24%	0.06%	0.04%	0.56%	0.32%	0.25%	0.62%	0.24%	0.21%	0.56%	0.34%	0.14%
Year	2009			2010			2011			2012			2013		
days past due	31-60	61-90	>90	31-60	61-90	>90	31-60	61-90	>90	31-60	61-90	>90	31-60	61-90	>90
January	0.72%	0.34%	0.22%	0.49%	0.31%	0.30%	0.64%	0.32%	0.36%	0.71%	0.39%	0.99%	0.72%	0.40%	0.73%
February	0.64%	0.38%	0.20%	0.55%	0.27%	0.27%	0.70%	0.34%	0.36%	0.68%	0.38%	0.95%	0.72%	0.39%	0.75%
March	0.58%	0.39%	0.21%	0.45%	0.30%	0.25%	0.69%	0.36%	0.37%	0.68%	0.36%	0.80%	0.72%	0.37%	0.71%
April	0.59%	0.37%	0.25%	0.50%	0.27%	0.26%	0.80%	0.39%	0.44%	0.71%	0.39%	0.78%	0.73%	0.35%	0.68%
May	0.65%	0.34%	0.25%	0.55%	0.29%	0.24%	0.73%	0.40%	0.45%	0.79%	0.44%	0.74%	0.75%	0.37%	0.64%
June	0.62%	0.40%	0.27%	0.55%	0.33%	0.29%	0.67%	0.42%	0.50%	0.80%	0.52%	0.77%	0.71%	0.36%	0.67%
July	0.59%	0.41%	0.33%	0.54%	0.36%	0.38%	0.72%	0.38%	0.48%	0.78%	0.46%	0.86%	0.69%	0.36%	0.64%
August	0.66%	0.39%	0.34%	0.56%	0.30%	0.44%	0.66%	0.37%	0.43%	0.73%	0.41%	0.81%	0.72%	0.36%	0.66%
September	0.55%	0.41%	0.38%	0.53%	0.33%	0.46%	0.58%	0.35%	0.36%	0.81%	0.41%	0.68%	0.71%	0.36%	0.71%
October	0.55%	0.35%	0.42%	0.61%	0.31%	0.46%	0.66%	0.41%	0.67%	0.84%	0.41%	0.69%	0.72%	0.38%	0.68%
November	0.58%	0.36%	0.34%	0.61%	0.35%	0.38%	0.83%	0.54%	0.85%	0.82%	0.42%	0.70%	0.76%	0.36%	0.71%
December	0.54%	0.34%	0.29%	0.52%	0.35%	0.38%	0.68%	0.63%	0.84%	0.80%	0.43%	0.77%	0.76%	0.39%	0.67%

2. Static Gross Losses

Static Analysis Gross Losses - Total Portfolio

as of 31.12.2013

		cumulative losses in % / months after origination																						
Quarter New Business	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63	66	69	72
Q1 2004	0.08%	0.43%	1.14%	1.83%	2.69%	3.50%	4.17%	4.71%	4.99%	5.31%	5.63%	5.90%	6.10%	6.32%	6.46%	6.60%	6.68%	6.76%	6.80%	6.86%	6.90%	6.92%	6.97%	7.00%
Q2 2004	0.05%	0.38%	0.79%	1.56%	2.22%	2.87%	3.40%	3.68%	4.00%	4.32%	4.68%	4.96%	5.19%	5.39%	5.56%	5.65%	5.74%	5.78%	5.86%	5.93%	5.97%	6.03%	6.05%	6.07%
Q3 2004	0.05%	0.38%	0.87%	1.49%	2.18%	2.80%	3.15%	3.57%	3.97%	4.35%	4.68%	4.93%	5.15%	5.28%	5.42%	5.50%	5.60%	5.67%	5.73%	5.77%	5.80%	5.83%	5.86%	5.88%
Q4 2004	0.08%	0.45%	1.01%	1.79%	2.50%	2.82%	3.26%	3.83%	4.16%	4.52%	4.90%	5.20%	5.39%	5.51%	5.61%	5.72%	5.83%	5.94%	6.01%	6.06%	6.12%	6.16%	6.16%	6.19%
Q1 2005	0.05%	0.43%	0.95%	1.67%	2.18%	2.73%	3.36%	3.90%	4.31%	4.69%	5.08%	5.27%	5.45%	5.62%	5.76%	5.90%	5.98%	6.08%	6.18%	6.24%	6.28%	6.32%	6.34%	6.36%
Q2 2005	0.10%	0.41%	0.90%	1.40%	2.02%	2.62%	3.29%	3.76%	4.20%	4.55%	4.85%	5.09%	5.28%	5.46%	5.58%	5.71%	5.78%	5.88%	5.95%	6.02%	6.04%	6.09%	6.12%	6.14%
Q3 2005	0.04%	0.38%	0.66%	1.11%	1.71%	2.24%	2.82%	3.29%	3.85%	4.20%	4.45%	4.64%	4.90%	5.06%	5.19%	5.30%	5.40%	5.50%	5.54%	5.59%	5.62%	5.66%	5.69%	5.75%
Q4 2005	0.05%	0.23%	0.58%	1.15%	1.69%	2.41%	3.06%	3.59%	3.98%	4.39%	4.65%	4.83%	5.07%	5.19%	5.37%	5.49%	5.63%	5.73%	5.80%	5.87%	5.92%	5.98%	6.03%	6.07%
Q1 2006	0.01%	0.16%	0.51%	1.10%	1.82%	2.44%	3.02%	3.42%	3.85%	4.14%	4.45%	4.66%	4.83%	5.03%	5.17%	5.28%	5.38%	5.47%	5.52%	5.58%	5.64%	5.68%	5.72%	5.76%
Q2 2006	0.01%	0.22%	0.74%	1.44%	2.09%	2.78%	3.54%	4.01%	4.45%	4.84%	5.20%	5.49%	5.70%	5.91%	6.14%	6.29%	6.42%	6.53%	6.62%	6.70%	6.77%	6.86%	6.91%	6.96%
Q3 2006	0.02%	0.34%	0.74%	1.47%	1.99%	2.68%	3.35%	3.90%	4.34%	4.76%	5.09%	5.39%	5.65%	5.88%	6.09%	6.24%	6.34%	6.49%	6.59%	6.68%	6.77%	6.87%	6.97%	7.04%
Q4 2006	0.04%	0.32%	0.92%	1.60%	2.36%	3.03%	3.61%	4.17%	4.55%	4.99%	5.26%	5.65%	5.96%	6.17%	6.38%	6.49%	6.64%	6.75%	6.86%	6.93%	7.06%	7.11%	7.19%	7.23%
Q1 2007	0.02%	0.43%	0.97%	1.59%	2.34%	3.13%	3.82%	4.43%	5.00%	5.45%	5.94%	6.37%	6.66%	6.86%	7.08%	7.26%	7.41%	7.52%	7.63%	7.78%	7.91%	8.03%	8.14%	8.19%
Q2 2007	0.04%	0.35%	0.84%	1.44%	2.00%	2.75%	3.32%	3.78%	4.26%	4.82%	5.31%	5.64%	5.87%	6.11%	6.32%	6.51%	6.64%	6.74%	6.90%	7.01%	7.14%	7.26%	7.36%	7.47%
Q3 2007	0.02%	0.32%	0.83%	1.41%	2.17%	2.93%	3.57%	4.11%	4.76%	5.47%	5.83%	6.14%	6.45%	6.74%	6.99%	7.15%	7.34%	7.48%	7.67%	7.84%	7.99%	8.12%	8.22%	8.28%
Q4 2007	0.02%	0.30%	0.80%	1.41%	2.05%	2.71%	3.40%	4.03%	4.80%	5.30%	5.66%	5.99%	6.35%	6.59%	6.80%	6.96%	7.16%	7.30%	7.49%	7.60%	7.76%	7.88%	7.96%	
Q1 2008	0.01%	0.19%	0.61%	1.17%	1.86%	2.66%	3.37%	4.12%	4.62%	5.05%	5.45%	5.81%	6.15%	6.51%	6.74%	6.97%	7.18%	7.41%	7.55%	7.71%	7.85%	7.94%		
Q2 2008	0.01%	0.17%	0.56%	1.15%	1.77%	2.52%	3.25%	3.86%	4.37%	4.75%	5.23%	5.62%	5.98%	6.26%	6.52%	6.82%	7.00%	7.15%	7.34%	7.58%	7.67%			
Q3 2008	0.03%	0.27%	0.72%	1.26%	2.06%	2.90%	3.49%	4.01%	4.58%	5.14%	5.49%	5.91%	6.28%	6.61%	6.92%	7.23%	7.49%	7.69%	7.89%	8.04%				
Q4 2008	0.01%	0.27%	0.76%	1.49%	2.40%	3.11%	3.70%	4.25%	4.78%	5.19%	5.61%	5.93%	6.27%	6.63%	7.02%	7.30%	7.55%	7.77%	7.92%					
Q1 2009	0.01%	0.20%	0.64%	1.28%	1.88%	2.40%	3.01%	3.56%	4.04%	4.50%	4.98%	5.33%	5.69%	6.02%	6.34%	6.62%	6.84%	7.02%						
Q2 2009	0.02%	0.21%	0.64%	1.20%	1.66%	2.34%	3.07%	3.56%	4.02%	4.44%	4.77%	5.09%	5.48%	5.84%	6.17%	6.45%	6.63%							
Q3 2009	0.02%	0.22%	0.59%	1.02%	1.61%	2.30%	2.83%	3.41%	3.81%	4.25%	4.64%	5.02%	5.31%	5.63%	5.93%	6.13%								
Q4 2009	0.03%	0.27%	0.63%	1.00%	1.58%	2.07%	2.63%	3.07%	3.54%	4.05%	4.49%	4.93%	5.31%	5.71%	5.93%									
Q1 2010	0.03%	0.13%	0.43%	0.89%	1.40%	1.99%	2.46%	2.89%	3.39%	3.91%	4.35%	4.80%	5.24%	5.53%										
Q2 2010	0.03%	0.17%	0.53%	0.95%	1.41%	1.88%	2.41%	2.91%	3.51%	3.89%	4.32%	4.72%	5.04%											
Q3 2010	0.01%	0.11%	0.42%	0.79%	1.22%	1.63%	2.11%	2.61%	3.06%	3.60%	4.09%	4.34%												
Q4 2010	0.03%	0.21%	0.49%	1.00%	1.54%	2.05%	2.68%	3.23%	3.74%	4.34%	4.64%													
Q1 2011	0.02%	0.11%	0.36%	0.70%	1.08%	1.59%	2.12%	2.70%	3.21%	3.56%														
Q2 2011	0.01%	0.06%	0.23%	0.54%	0.90%	1.43%	2.02%	2.44%	2.72%															
Q3 2011	0.00%	0.07%	0.31%	0.67%	1.14%	1.91%	2.51%	2.83%																
Q4 2011	0.00%	0.06%	0.34%	0.71%	1.29%	1.93%	2.35%																	
Q1 2012	0.00%	0.07%	0.30%	0.76%	1.49%	1.89%																		
Q2 2012	0.00%	0.07%	0.34%	0.72%	1.19%																			
Q3 2012	0.00%	0.09%	0.41%	0.81%																				
Q4 2012	0.01%	0.12%	0.38%																					
Q1 2013	0.00%	0.06%																						
Q2 2013	0.01%																							

3. Recoveries

Static Analysis Recoveries

as of 31.12.2013

Quarter of Termination	cumulative recoveries in % / months after termination									
	6	12	18	24	30	36	42	48	54	60
Q1 2004	6.10%	9.49%	12.53%	14.39%	16.11%	17.93%	18.24%	18.54%	18.74%	18.98%
Q2 2004	6.39%	10.81%	13.47%	15.70%	18.11%	19.37%	19.82%	20.27%	20.57%	20.96%
Q3 2004	6.08%	9.67%	12.66%	14.77%	17.82%	18.74%	19.48%	19.95%	20.35%	20.83%
Q4 2004	5.86%	9.46%	12.87%	16.01%	18.40%	19.39%	20.27%	20.84%	21.23%	21.70%
Q1 2005	4.81%	8.74%	11.70%	15.64%	16.71%	17.58%	18.67%	19.34%	19.81%	20.44%
Q2 2005	5.77%	9.89%	13.62%	16.20%	17.36%	18.23%	19.00%	19.55%	19.98%	20.58%
Q3 2005	4.67%	8.76%	13.07%	14.42%	15.44%	16.19%	16.83%	17.39%	17.85%	18.44%
Q4 2005	4.50%	8.09%	10.69%	12.64%	14.30%	15.36%	16.35%	16.96%	17.58%	18.25%
Q1 2006	4.34%	8.18%	10.74%	13.08%	15.52%	17.00%	18.07%	18.80%	19.67%	20.37%
Q2 2006	4.41%	7.20%	9.78%	11.65%	14.08%	15.43%	16.18%	16.97%	17.51%	18.06%
Q3 2006	4.71%	6.93%	9.22%	11.19%	13.62%	14.88%	15.83%	16.80%	17.54%	18.30%
Q4 2006	4.84%	7.28%	9.64%	11.60%	14.27%	15.68%	16.60%	17.37%	17.92%	18.54%
Q1 2007	4.84%	7.32%	9.50%	11.81%	14.26%	15.40%	16.60%	17.47%	18.25%	18.91%
Q2 2007	5.06%	7.53%	9.87%	12.17%	14.69%	16.11%	17.12%	17.79%	18.41%	18.98%
Q3 2007	5.18%	7.53%	9.67%	11.32%	13.82%	15.35%	16.38%	17.14%	17.69%	18.32%
Q4 2007	5.76%	8.20%	10.71%	12.76%	15.78%	17.10%	18.09%	18.81%	19.45%	20.11%
Q1 2008	4.99%	7.05%	9.00%	11.20%	13.27%	14.43%	15.29%	16.02%	16.61%	17.17%
Q2 2008	5.26%	7.52%	9.45%	12.12%	14.13%	15.25%	16.01%	16.69%	17.15%	17.68%
Q3 2008	5.69%	7.93%	10.34%	12.52%	14.40%	15.39%	16.20%	16.83%	17.42%	17.75%
Q4 2008	5.23%	7.37%	9.72%	11.86%	13.80%	14.85%	15.62%	16.26%	16.75%	
Q1 2009	6.10%	8.02%	10.67%	12.70%	15.15%	16.19%	16.81%	17.23%	17.53%	
Q2 2009	5.80%	8.31%	11.09%	13.20%	15.21%	15.95%	16.61%	17.18%		
Q3 2009	5.97%	8.66%	11.14%	13.67%	15.15%	15.84%	16.43%	16.82%		
Q4 2009	6.03%	9.00%	11.35%	13.13%	14.48%	15.07%	15.63%			
Q1 2010	5.30%	8.67%	11.87%	13.13%	14.52%	15.07%	15.56%			
Q2 2010	5.96%	9.30%	11.57%	12.71%	14.08%	14.76%				
Q3 2010	5.56%	9.36%	10.91%	12.01%	13.33%	13.74%				
Q4 2010	5.59%	9.76%	11.00%	11.97%	13.57%					
Q1 2011	6.05%	8.25%	9.54%	10.41%	11.75%					
Q2 2011	6.01%	7.93%	9.05%	10.13%						
Q3 2011	4.94%	6.85%	8.07%	8.75%						
Q4 2011	7.43%	10.34%	12.11%							
Q1 2012	7.93%	11.57%	13.04%							
Q2 2012	6.08%	9.14%								
Q3 2012	6.83%	9.02%								
Q4 2012	7.42%									
Q1 2013	5.67%									

4. Prepayments

Annualised Prepayments - 6-Months Average

as of 31.12.2013

Prepayments in % of Total Outstanding Loan Balance	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
January	36.54%	42.89%	48.56%	46.05%	35.89%	30.60%	26.26%	27.96%	46.23%	33.60%
February	39.82%	44.02%	41.12%	41.10%	36.88%	31.20%	25.56%	27.96%	33.57%	34.20%
March	49.52%	48.24%	49.33%	43.47%	34.34%	32.16%	30.13%	34.80%	37.12%	33.60%
April	43.45%	51.75%	46.25%	38.59%	38.70%	28.44%	26.94%	28.56%	30.03%	30.72%
May	38.18%	44.99%	50.31%	36.01%	31.34%	25.08%	26.08%	29.52%	28.20%	27.48%
June	44.06%	47.57%	44.53%	36.00%	34.32%	27.48%	27.84%	28.44%	25.85%	26.76%
July	47.98%	50.45%	52.35%	45.64%	39.48%	30.36%	32.04%	30.24%	31.44%	34.92%
August	40.92%	45.22%	45.83%	38.05%	28.80%	25.56%	26.64%	29.64%	31.80%	28.08%
September	41.26%	40.93%	38.49%	32.41%	30.72%	26.25%	27.24%	29.52%	27.12%	27.12%
October	40.36%	40.63%	41.40%	40.53%	32.28%	26.90%	28.08%	N/A*	30.12%	28.08%
November	38.24%	37.61%	37.08%	31.46%	26.40%	21.47%	26.76%	21.54%	27.72%	23.16%
December	28.31%	25.87%	29.08%	20.32%	22.20%	18.28%	20.40%	20.89%	21.24%	19.92%

* missing data point due to IT migration of whole portfolio from MBS to Partenon banking system

ASSUMED AMORTISATION OF THE PURCHASED RECEIVABLES AND OF THE NOTES

Assumed Amortisation of the Purchased Receivables if clean-up call option is exercised

This Amortisation scenario is based on the assumption (i) that a replenishment takes place over 36 months and (ii) that no losses, or delinquencies occur, (iii) that 0 % annualised prepayments occur, and (iii) that the clean-up call option is exercised. It should be noted that the actual amortisation of the Purchased Receivables may differ substantially from the amortisation scenario indicated below.

Payment Date falling in	Amortisation Profile of Loan Receivables (EUR)	Scheduled Amortisation (EUR)
Mar-14	1,349,999,986.41	
Apr-14	1,349,999,986.41	-
May-14	1,349,999,986.41	-
Jun-14	1,349,999,986.41	-
Jul-14	1,349,999,986.41	-
Aug-14	1,349,999,986.41	-
Sep-14	1,349,999,986.41	-
Oct-14	1,349,999,986.41	-
Nov-14	1,349,999,986.41	-
Dec-14	1,349,999,986.41	-
Jan-15	1,349,999,986.41	-
Feb-15	1,349,999,986.41	-
Mar-15	1,349,999,986.41	-
Apr-15	1,349,999,986.41	-
May-15	1,349,999,986.41	-
Jun-15	1,349,999,986.41	-
Jul-15	1,349,999,986.41	-
Aug-15	1,349,999,986.41	-
Sep-15	1,349,999,986.41	-
Oct-15	1,349,999,986.41	-
Nov-15	1,349,999,986.41	-
Dec-15	1,349,999,986.41	-
Jan-16	1,349,999,986.41	-
Feb-16	1,349,999,986.41	-
Mar-16	1,349,999,986.41	-
Apr-16	1,349,999,986.41	-
May-16	1,349,999,986.41	-
Jun-16	1,349,999,986.41	-
Jul-16	1,349,999,986.41	-
Aug-16	1,349,999,986.41	-
Sep-16	1,349,999,986.41	-
Oct-16	1,349,999,986.41	-
Nov-16	1,349,999,986.41	-
Dec-16	1,349,999,986.41	-
Jan-17	1,349,999,986.41	-
Feb-17	1,349,999,986.41	-
Mar-17	1,349,999,986.41	-
Apr-17	1,317,856,122.21	32,143,864.20
May-17	1,285,831,489.01	32,024,633.21
Jun-17	1,253,937,979.79	31,893,509.22
Jul-17	1,222,175,631.22	31,762,348.57
Aug-17	1,190,580,545.22	31,595,086.00

Sep-17	1,159,130,447.47	31,450,097.75
Oct-17	1,127,748,987.86	31,381,459.61
Nov-17	1,096,401,165.28	31,347,822.57
Dec-17	1,065,110,333.11	31,290,832.18
Jan-18	1,033,898,174.33	31,212,158.78
Feb-18	1,002,770,979.62	31,127,194.71
Mar-18	971,893,857.24	30,877,122.39
Apr-18	941,349,388.23	30,544,469.01
May-18	911,145,041.81	30,204,346.41
Jun-18	881,306,277.91	29,838,763.90
Jul-18	851,888,552.00	29,417,725.91
Aug-18	822,879,730.89	29,008,821.11
Sep-18	794,253,575.78	28,626,155.11
Oct-18	765,898,177.82	28,355,397.96
Nov-18	737,764,983.82	28,133,194.00
Dec-18	709,834,965.64	27,930,018.18
Jan-19	682,148,726.86	27,686,238.78
Feb-19	654,622,193.91	27,526,532.95
Mar-19	627,431,100.97	27,191,092.93
Apr-19	600,641,632.27	26,789,468.70
May-19	574,329,786.31	26,311,845.96
Jun-19	548,597,719.62	25,732,066.69
Jul-19	523,389,826.09	25,207,893.53
Aug-19	498,685,021.65	24,704,804.44
Sep-19	474,561,263.59	24,123,758.07
Oct-19	450,861,963.29	23,699,300.30
Nov-19	427,621,594.70	23,240,368.59
Dec-19	404,852,919.36	22,768,675.34
Jan-20	382,626,429.84	22,226,489.52
Feb-20	360,970,326.47	21,656,103.36
Mar-20	339,951,994.80	21,018,331.67
Apr-20	319,670,845.24	20,281,149.56
May-20	300,174,828.20	19,496,017.05
Jun-20	281,508,743.11	18,666,085.08
Jul-20	263,663,247.06	17,845,496.05
Aug-20	246,716,903.79	16,946,343.27
Sep-20	230,650,347.29	16,066,556.50
Oct-20	215,389,522.20	15,260,825.09
Nov-20	200,789,596.61	14,599,925.59
Dec-20	186,748,778.95	14,040,817.66
Jan-21	173,176,809.66	13,571,969.28
Feb-21	160,104,400.64	13,072,409.02
Mar-21	147,661,211.41	12,443,189.24
Apr-21	-	147,661,211.41

This Amortisation scenario is based on the assumption (i) that no losses, or delinquencies occur, (ii) that 30 % annualised prepayments occur, and (iii) that the clean-up call option is exercised. It should be noted that the actual amortisation of the Notes may differ substantially from the amortisation scenario indicated below.

Payment Date falling in	Amortisation Profile of Loan Receivables (EUR)	Scheduled Amortisation (EUR)
Mar-14	1,349,999,986.41	
Apr-14	1,349,999,986.41	-
May-14	1,349,999,986.41	-
Jun-14	1,349,999,986.41	-
Jul-14	1,349,999,986.41	-
Aug-14	1,349,999,986.41	-
Sep-14	1,349,999,986.41	-
Oct-14	1,349,999,986.41	-
Nov-14	1,349,999,986.41	-
Dec-14	1,349,999,986.41	-
Jan-15	1,349,999,986.41	-
Feb-15	1,349,999,986.41	-
Mar-15	1,349,999,986.41	-
Apr-15	1,349,999,986.41	-
May-15	1,349,999,986.41	-
Jun-15	1,349,999,986.41	-
Jul-15	1,349,999,986.41	-
Aug-15	1,349,999,986.41	-
Sep-15	1,349,999,986.41	-
Oct-15	1,349,999,986.41	-
Nov-15	1,349,999,986.41	-
Dec-15	1,349,999,986.41	-
Jan-16	1,349,999,986.41	-
Feb-16	1,349,999,986.41	-
Mar-16	1,349,999,986.41	-
Apr-16	1,349,999,986.41	-
May-16	1,349,999,986.41	-
Jun-16	1,349,999,986.41	-
Jul-16	1,349,999,986.41	-
Aug-16	1,349,999,986.41	-
Sep-16	1,349,999,986.41	-
Oct-16	1,349,999,986.41	-
Nov-16	1,349,999,986.41	-
Dec-16	1,349,999,986.41	-
Jan-17	1,349,999,986.41	-
Feb-17	1,349,999,986.41	-
Mar-17	1,349,999,986.41	-
Apr-17	1,283,226,317.93	66,773,668.48
May-17	1,219,281,266.62	63,945,051.32
Jun-17	1,158,062,047.45	61,219,219.16
Jul-17	1,099,463,881.14	58,598,166.31
Aug-17	1,043,396,713.66	56,067,167.48

Sep-17	989,756,113.35	53,640,600.31
Oct-17	938,427,904.05	51,328,209.30
Nov-17	889,314,274.17	49,113,629.88
Dec-17	842,336,791.85	46,977,482.33
Jan-18	797,419,095.32	44,917,696.53
Feb-18	754,481,621.56	42,937,473.76
Mar-18	713,487,440.98	40,994,180.58
Apr-18	674,377,639.96	39,109,801.02
May-18	637,077,026.72	37,300,613.24
Jun-18	601,516,820.26	35,560,206.46
Jul-18	567,636,065.44	33,880,754.82
Aug-18	535,361,367.17	32,274,698.27
Sep-18	504,620,546.53	30,740,820.63
Oct-18	475,329,930.59	29,290,615.95
Nov-18	447,423,033.19	27,906,897.40
Dec-18	420,842,018.35	26,581,014.84
Jan-19	395,540,997.97	25,301,020.38
Feb-19	371,453,172.32	24,087,825.65
Mar-19	348,558,495.15	22,894,677.17
Apr-19	326,814,843.46	21,743,651.69
May-19	306,181,946.80	20,632,896.66
Jun-19	286,624,571.13	19,557,375.67
Jul-19	268,085,186.25	18,539,384.88
Aug-19	250,513,593.59	17,571,592.66
Sep-19	233,875,826.58	16,637,767.01
Oct-19	218,109,816.31	15,766,010.27
Nov-19	203,182,851.17	14,926,965.14
Dec-19	189,061,097.99	14,121,753.18
Jan-20	175,718,383.25	13,342,714.74
Feb-20	163,123,025.46	12,595,357.79
Mar-20	151,250,036.76	11,872,988.70
Apr-20	-	151,250,036.76

Assumed Amortisation of the Notes if clean-up call option is exercised

This Amortisation scenario is based on the assumption (i) that no losses, or delinquencies occur, (ii) that 30% annualised prepayments occur, and (iii) that the clean-up call option is exercised. It should be noted that the actual amortisation of the Notes may differ substantially from the amortisation scenario indicated below.

Payment Date falling in	Principal Amount Outstanding Class A	Principal Amount Outstanding Class B	Amortisation of Class A Notes (EUR)	Amortisation of Class B Notes (EUR)
Mar-14	1,205,000,000.00	145,000,000.00		
Apr-14	1,205,000,000.00	145,000,000.00	-	-
May-14	1,205,000,000.00	145,000,000.00	-	-
Jun-14	1,205,000,000.00	145,000,000.00	-	-
Jul-14	1,205,000,000.00	145,000,000.00	-	-
Aug-14	1,205,000,000.00	145,000,000.00	-	-
Sep-14	1,205,000,000.00	145,000,000.00	-	-
Oct-14	1,205,000,000.00	145,000,000.00	-	-
Nov-14	1,205,000,000.00	145,000,000.00	-	-
Dec-14	1,205,000,000.00	145,000,000.00	-	-
Jan-15	1,205,000,000.00	145,000,000.00	-	-
Feb-15	1,205,000,000.00	145,000,000.00	-	-
Mar-15	1,205,000,000.00	145,000,000.00	-	-
Apr-15	1,205,000,000.00	145,000,000.00	-	-
May-15	1,205,000,000.00	145,000,000.00	-	-
Jun-15	1,205,000,000.00	145,000,000.00	-	-
Jul-15	1,205,000,000.00	145,000,000.00	-	-
Aug-15	1,205,000,000.00	145,000,000.00	-	-
Sep-15	1,205,000,000.00	145,000,000.00	-	-
Oct-15	1,205,000,000.00	145,000,000.00	-	-
Nov-15	1,205,000,000.00	145,000,000.00	-	-
Dec-15	1,205,000,000.00	145,000,000.00	-	-
Jan-16	1,205,000,000.00	145,000,000.00	-	-
Feb-16	1,205,000,000.00	145,000,000.00	-	-
Mar-16	1,205,000,000.00	145,000,000.00	-	-
Apr-16	1,205,000,000.00	145,000,000.00	-	-
May-16	1,205,000,000.00	145,000,000.00	-	-
Jun-16	1,205,000,000.00	145,000,000.00	-	-
Jul-16	1,205,000,000.00	145,000,000.00	-	-
Aug-16	1,205,000,000.00	145,000,000.00	-	-
Sep-16	1,205,000,000.00	145,000,000.00	-	-
Oct-16	1,205,000,000.00	145,000,000.00	-	-
Nov-16	1,205,000,000.00	145,000,000.00	-	-
Dec-16	1,205,000,000.00	145,000,000.00	-	-
Jan-17	1,205,000,000.00	145,000,000.00	-	-
Feb-17	1,205,000,000.00	145,000,000.00	-	-
Mar-17	1,205,000,000.00	145,000,000.00	-	-
Apr-17	1,138,226,317.93	145,000,000.00	66,773,682.07	-
May-17	1,074,281,266.62	145,000,000.00	63,945,051.32	-
Jun-17	1,013,062,047.45	145,000,000.00	61,219,219.16	-
Jul-17	954,463,881.14	145,000,000.00	58,598,166.31	-
Aug-17	898,396,713.66	145,000,000.00	56,067,167.48	-

Sep-17	844,756,113.35	145,000,000.00	53,640,600.31	-
Oct-17	793,427,904.05	145,000,000.00	51,328,209.30	-
Nov-17	744,314,274.17	145,000,000.00	49,113,629.88	-
Dec-17	697,336,791.85	145,000,000.00	46,977,482.33	-
Jan-18	652,419,095.32	145,000,000.00	44,917,696.53	-
Feb-18	609,481,621.56	145,000,000.00	42,937,473.76	-
Mar-18	568,487,440.98	145,000,000.00	40,994,180.58	-
Apr-18	529,377,639.96	145,000,000.00	39,109,801.02	-
May-18	492,077,026.72	145,000,000.00	37,300,613.24	-
Jun-18	456,516,820.26	145,000,000.00	35,560,206.46	-
Jul-18	422,636,065.44	145,000,000.00	33,880,754.82	-
Aug-18	390,361,367.17	145,000,000.00	32,274,698.27	-
Sep-18	359,620,546.53	145,000,000.00	30,740,820.63	-
Oct-18	330,329,930.59	145,000,000.00	29,290,615.95	-
Nov-18	302,423,033.19	145,000,000.00	27,906,897.40	-
Dec-18	275,842,018.35	145,000,000.00	26,581,014.84	-
Jan-19	250,540,997.97	145,000,000.00	25,301,020.38	-
Feb-19	226,453,172.32	145,000,000.00	24,087,825.65	-
Mar-19	203,558,495.15	145,000,000.00	22,894,677.17	-
Apr-19	181,814,843.46	145,000,000.00	21,743,651.69	-
May-19	161,181,946.80	145,000,000.00	20,632,896.66	-
Jun-19	141,624,571.13	145,000,000.00	19,557,375.67	-
Jul-19	123,085,186.25	145,000,000.00	18,539,384.88	-
Aug-19	105,513,593.59	145,000,000.00	17,571,592.66	-
Sep-19	88,875,826.58	145,000,000.00	16,637,767.01	-
Oct-19	73,109,816.31	145,000,000.00	15,766,010.27	-
Nov-19	58,182,851.17	145,000,000.00	14,926,965.14	-
Dec-19	44,061,097.99	145,000,000.00	14,121,753.18	-
Jan-20	30,718,383.25	145,000,000.00	13,342,714.74	-
Feb-20	18,123,025.46	145,000,000.00	12,595,357.79	-
Mar-20	6,250,036.76	145,000,000.00	11,872,988.70	-
Apr-20	-	-	6,250,036.76	145,000,000.00

This Amortisation scenario is based on the assumption (i) that no losses, or delinquencies occur, (ii) that 0 % prepayments occur, and (iii) that the clean-up call option is exercised. It should be noted that the actual amortisation of the Notes may differ substantially from the amortisation scenario indicated below.

Payment Date falling in	Principal Amount Outstanding Class A	Principal Amount Outstanding Class B	Amortisation of Class A Notes (EUR)	Amortisation of Class B Notes (EUR)
Mar-14	1,205,000,000.00	145,000,000.00		
Apr-14	1,205,000,000.00	145,000,000.00	-	-
May-14	1,205,000,000.00	145,000,000.00	-	-
Jun-14	1,205,000,000.00	145,000,000.00	-	-
Jul-14	1,205,000,000.00	145,000,000.00	-	-
Aug-14	1,205,000,000.00	145,000,000.00	-	-
Sep-14	1,205,000,000.00	145,000,000.00	-	-
Oct-14	1,205,000,000.00	145,000,000.00	-	-
Nov-14	1,205,000,000.00	145,000,000.00	-	-
Dec-14	1,205,000,000.00	145,000,000.00	-	-
Jan-15	1,205,000,000.00	145,000,000.00	-	-
Feb-15	1,205,000,000.00	145,000,000.00	-	-
Mar-15	1,205,000,000.00	145,000,000.00	-	-
Apr-15	1,205,000,000.00	145,000,000.00	-	-
May-15	1,205,000,000.00	145,000,000.00	-	-
Jun-15	1,205,000,000.00	145,000,000.00	-	-
Jul-15	1,205,000,000.00	145,000,000.00	-	-
Aug-15	1,205,000,000.00	145,000,000.00	-	-
Sep-15	1,205,000,000.00	145,000,000.00	-	-
Oct-15	1,205,000,000.00	145,000,000.00	-	-
Nov-15	1,205,000,000.00	145,000,000.00	-	-
Dec-15	1,205,000,000.00	145,000,000.00	-	-
Jan-16	1,205,000,000.00	145,000,000.00	-	-
Feb-16	1,205,000,000.00	145,000,000.00	-	-
Mar-16	1,205,000,000.00	145,000,000.00	-	-
Apr-16	1,205,000,000.00	145,000,000.00	-	-
May-16	1,205,000,000.00	145,000,000.00	-	-
Jun-16	1,205,000,000.00	145,000,000.00	-	-
Jul-16	1,205,000,000.00	145,000,000.00	-	-
Aug-16	1,205,000,000.00	145,000,000.00	-	-
Sep-16	1,205,000,000.00	145,000,000.00	-	-
Oct-16	1,205,000,000.00	145,000,000.00	-	-
Nov-16	1,205,000,000.00	145,000,000.00	-	-
Dec-16	1,205,000,000.00	145,000,000.00	-	-
Jan-17	1,205,000,000.00	145,000,000.00	-	-
Feb-17	1,205,000,000.00	145,000,000.00	-	-
Mar-17	1,205,000,000.00	145,000,000.00	-	-
Apr-17	1,172,856,122.21	145,000,000.00	32,143,877.79	-
May-17	1,140,831,489.01	145,000,000.00	32,024,633.21	-
Jun-17	1,108,937,979.79	145,000,000.00	31,893,509.22	-
Jul-17	1,077,175,631.22	145,000,000.00	31,762,348.57	-
Aug-17	1,045,580,545.22	145,000,000.00	31,595,086.00	-

Sep-17	1,014,130,447.47	145,000,000.00	31,450,097.75	-
Oct-17	982,748,987.86	145,000,000.00	31,381,459.61	-
Nov-17	951,401,165.28	145,000,000.00	31,347,822.57	-
Dec-17	920,110,333.11	145,000,000.00	31,290,832.18	-
Jan-18	888,898,174.33	145,000,000.00	31,212,158.78	-
Feb-18	857,770,979.62	145,000,000.00	31,127,194.71	-
Mar-18	826,893,857.24	145,000,000.00	30,877,122.39	-
Apr-18	796,349,388.23	145,000,000.00	30,544,469.01	-
May-18	766,145,041.81	145,000,000.00	30,204,346.41	-
Jun-18	736,306,277.91	145,000,000.00	29,838,763.90	-
Jul-18	706,888,552.00	145,000,000.00	29,417,725.91	-
Aug-18	677,879,730.89	145,000,000.00	29,008,821.11	-
Sep-18	649,253,575.78	145,000,000.00	28,626,155.11	-
Oct-18	620,898,177.82	145,000,000.00	28,355,397.96	-
Nov-18	592,764,983.82	145,000,000.00	28,133,194.00	-
Dec-18	564,834,965.64	145,000,000.00	27,930,018.18	-
Jan-19	537,148,726.86	145,000,000.00	27,686,238.78	-
Feb-19	509,622,193.91	145,000,000.00	27,526,532.95	-
Mar-19	482,431,100.97	145,000,000.00	27,191,092.93	-
Apr-19	455,641,632.27	145,000,000.00	26,789,468.70	-
May-19	429,329,786.31	145,000,000.00	26,311,845.96	-
Jun-19	403,597,719.62	145,000,000.00	25,732,066.69	-
Jul-19	378,389,826.09	145,000,000.00	25,207,893.53	-
Aug-19	353,685,021.65	145,000,000.00	24,704,804.44	-
Sep-19	329,561,263.59	145,000,000.00	24,123,758.07	-
Oct-19	305,861,963.29	145,000,000.00	23,699,300.30	-
Nov-19	282,621,594.70	145,000,000.00	23,240,368.59	-
Dec-19	259,852,919.36	145,000,000.00	22,768,675.34	-
Jan-20	237,626,429.84	145,000,000.00	22,226,489.52	-
Feb-20	215,970,326.47	145,000,000.00	21,656,103.36	-
Mar-20	194,951,994.80	145,000,000.00	21,018,331.67	-
Apr-20	174,670,845.24	145,000,000.00	20,281,149.56	-
May-20	155,174,828.20	145,000,000.00	19,496,017.05	-
Jun-20	136,508,743.11	145,000,000.00	18,666,085.08	-
Jul-20	118,663,247.06	145,000,000.00	17,845,496.05	-
Aug-20	101,716,903.79	145,000,000.00	16,946,343.27	-
Sep-20	85,650,347.29	145,000,000.00	16,066,556.50	-
Oct-20	70,389,522.20	145,000,000.00	15,260,825.09	-
Nov-20	55,789,596.61	145,000,000.00	14,599,925.59	-
Dec-20	41,748,778.95	145,000,000.00	14,040,817.66	-
Jan-21	28,176,809.66	145,000,000.00	13,571,969.28	-
Feb-21	15,104,400.64	145,000,000.00	13,072,409.02	-
Mar-21	2,661,211.41	145,000,000.00	12,443,189.24	-
Apr-21	-	-	2,661,211.41	145,000,000.00

CREDIT AND COLLECTION POLICY

The following is a description of the credit and collection principles (such description, the "**Credit and Collection Policy**") which must be complied with in respect of origination and servicing of the Purchased Receivables. The Credit and Collection Policy which had been applied by the Seller to the origination of Purchased Receivables is consistent with the solid and clear credit policies (*Kreditvorgabekriterien*) the Seller applies (for the avoidance of doubt) irrespective of a potential securitisation transaction to its other German consumer loan receivables. The Credit and Collection Policy is set out in Appendix D to the Terms and Conditions of the Notes and forms an integral part of the Terms and Conditions of the Notes.

I. Credit Policies

Decisions on the granting of a loan are based on the applicant's credit worthiness. The credit worthiness will be assessed primarily by using five components: (i) scoring, (ii) customer history, (iii) credit bureau information, (iv) household budget calculation and (v) other credit and competence guidelines.

Scoring

The scoring is the most reliable instrument to forecast the probability of default. The segmentation of the scorecards as well as their development is subject to statistical methods and is based on historical application and performance data of the Santander Consumer Bank. Different scorecards are in place, each score card takes different characteristics into account.

Depending on the respective information which applies to each characteristic, a certain amount of points per characteristics is derived, according to scientific methods. All results are summarized and the final value gives a prediction of the risk of granting a loan to the applicant.

This scoring process is treated strictly confidential. Neither information regarding the weighting or values of single criteria, nor cut-off limits of scoring results are communicated externally to applicants. However, information according to the data protection law is given to the applicant if requested for.

Customer history

For existing customers the (relevant) information internally available is considered (e.g. credit history, payment behaviour). Applicants with whom the bank has made "good" experience are more likely to get a new loan than those with "bad" experience – ceteris paribus -.

The customer position is calculated. The total outstandings (including the available credit line) of each applicant are aggregated.

Credit Bureau Information

SCHUFA Holding AG (*Schutzgemeinschaft für allgemeine Kreditsicherung*) is the main central database for creditor information used when assessing the credit history of private customers. SCHUFA provides Santander Consumer Bank with information concerning existing loan and leasing agreements, existence of bank accounts, previous defaults with respect to financial obligations, existence of insolvency proceedings, declarations of insolvency. In addition SCHUFA score is derived. SCHUFA provides the necessary information electronically.

Household Budget Calculation

The household budget calculation is based on the information received by way of self-disclosure (*Selbstauskunft*) of the respective applicant and salary accounts as well as by accounting for household expenditures, taking into account certain lump sums (e.g. cost of living) as well as monthly rates of already existing accounts or leasing contracts.

Other Credit and Competence Guidelines

Legal requirements and Santander Consumer Bank's internal credit guidelines have to be fulfilled before granting a loan.

The necessary competence level for granting a loan (acc. to the competence guidelines) is evaluated and checked automatically for the vast majority of cases.

Lending Decision

Lending decisions for private customers applying for a loan are generally made by using computer based systems that evaluate the score and other information as described above.

The results of the foregoing assessments will be evaluated according to certain guidelines. Based on such evaluation, credit decisions in the categories "red", "amber" and "green" are made. If the result is "red" or "amber", the application can only be approved by a specialised unit of senior credit analysts within Risk Management called Risk Underwriting.

The decision is performed in line with the competence and credit guidelines. As a result of the decision (i) the loan will be finally granted, (ii) the application will be refused or (iii) further documents or collateral will be requested.

Once a final and positive decision is taken the loan amount will be paid out to the customer.

II. Collection Policy

Reminders

Subject to rare exceptions, the reminder guidelines of Santander Consumer Bank are the following. If Santander Consumer Bank does not receive a due payment, a computer-generated written reminder letter (1st reminder) is sent to the debtor after 3-8 calendar days (depending on the date of the rejected direct debit). The relevant due payment is charged once again through a "special direct debit" one week later. If the debtor fails to pay this instalment, a second reminder letter (2nd reminder) is sent 7 days later and the instalment will be drawn at the next due date. If the debtor fails to pay these two monthly instalments at the next due date, a third warning letter (3rd reminder) is sent 14 days after the 2nd reminder. Two final computer-generated reminder letters are sent to the debtor in case of the debtor's lapse to pay continues. In the first of these letters, the debtor is advised of the consequences of his failure to pay, i.e. termination of the loan. This letter is followed by the termination menace. If 21 calendar days after the notifications have elapsed, but in principle if the debtor still fails to pay after a maximum of 180 calendar days after the due date, the relevant loan will be terminated, provided that the requirements under the German Civil Code concerning consumer loans have been satisfied, and the relevant loan will be marked as "defaulted" in the Servicer's IT system.

Collection Activities

With the first day in arrears the customer is transferred to the Collection Business Unit. The Collection Business Unit in general is the owner of all delinquent customers from day 1 past due. Within this department, in addition to the above mentioned reminder letters, the customer will be tackled by the responsible business line (External Call Centers, or Collection Center), depending on different criteria (e.g. outstanding amount, days in arrears, type of loan). The objective of these business lines is to get in touch with the customer and find solutions to enter into payment arrangements. Any arrangements are finally decided within the Collection Business Unit (Refinancing Department or Collection Center).

Sustainable cure of delinquent customers

At any time during the above mentioned collection procedure the employees of Santander Consumer Bank will use best efforts to achieve a payment arrangement with the debtor in accordance to the Santander Refinancing Policy i.e. adjustments of the loan terms including deferral or reduction of the instalments. The Refinancing Policy is an organizational framework which describes the usage of the different refinancing products (e.g. deferrals, instalment reductions) and includes the competence matrix. The competence matrix defines the refinancing competences for each employee and the measures which each one is allowed to apply. A customer's payment schedule therefore may be changed if he asks for the due date of instalments to be altered (e.g. from the 1st to the 15th day of each month), if he prepays the amount (in which case either his monthly instalments or the term of the loan may be reduced or the corresponding subsequent monthly instalments can be postponed and the loan returns to the initially scheduled amortisation schedule later) or if he applies for an extension of the due date of the loan.

A payment holiday does not change the term of the loan, but merely postpones the due date of payments. The period of a loan may be extended only by a limited number of months and only in accordance to the Refinancing Policy. A loan extension means, that an instalment is postponed to a new date outside the original loan schedule, resulting in an extra interest being payable.

Enforcement

Following the termination of the relevant loan, Santander Consumer Bank will initiate judicial procedures in co-operation with an external law firm for the enforcement of the loan receivable. If the debtor still fails to pay after generally 12 to 24 months have elapsed and if the respective receivable has been written-off by Santander Consumer Bank, Santander Consumer Bank might mandate external collection agencies with the collection of the outstanding receivables or enter into a due diligence for (and effect) the sale of written-off receivables on behalf of the Issuer.

THE ISSUER

Establishment and Registered Office

The Issuer was incorporated in Germany on 25 February 2014 and registered with the commercial register of the local court (*Amtsgericht*) in Frankfurt am Main under registration number HRB 98665 as an entrepreneurial company with limited liability (*Unternehmergeellschaft (haftungsbeschränkt)*) under the German Act on Companies with Limited Liability (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*) under the name of SC Germany Consumer 2014-1 UG (haftungsbeschränkt). The Issuer has been incorporated for an indefinite length of life. The Issuer's registered office and principal place of business is located at c/o SFM Structured Finance Management (Deutschland) GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany (telephone no. +49 69 643 50 8900), the location at which the Issuer's register of shareholders is kept. The shareholder of the Issuer is Stichting SC Germany Consumer 2014-1 which holds one fully paid-in share of EUR 4,500.

The Issuer has no subsidiaries.

Corporate Purpose and Business of the Issuer

The Issuer has been established as a special purpose vehicle for the purpose of issuing asset-backed securities. The principal objects of the Issuer are more specifically described in Clause 2 of its articles of association (*Gesellschaftsvertrag*) and include, *inter alia*, the issuance of the Notes and the entry into all financial arrangements in connection therewith. The articles of association of the Issuer may be inspected at the registered office of the Issuer.

Under its articles of association, the Issuer will not perform any active management of the acquired assets from a profit perspective. Under its articles of association, the Issuer will not engage in business requiring a licence under the German Banking Act (*Gesetz über das Kreditwesen*).

Notwithstanding the foregoing, the powers of the managing directors are not limited thereby and the Issuer has unrestricted corporate capacity as a matter of law.

The Issuer will covenant to observe certain restrictions on its activities which are set out in the Transaction Security Agreement. See "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT".

Since its incorporation on 25 February 2014, the Issuer has not engaged in any activities other than those incidental to its incorporation under the German Act on Companies with Limited Liability (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*), the authorisation and issuance of the Notes and the authorisation and execution of the Transaction Documents and such other documents referred to or contemplated in this Prospectus to which it is or will be a party and the execution of matters which are incidental or ancillary to the foregoing. So long as any of the Transaction Secured Obligations of the Issuer remain outstanding, the Issuer will not, *inter alia*, (a) enter into any business whatsoever, other than acquiring the Purchased Receivables, issuing Notes or creating other Transaction Secured Obligations or entering into a similar limited recourse transaction, entering into related agreements and transactions and performing any act incidental to or in connection with the foregoing, (b) have any subsidiaries, (c) have any employees or (d) dispose of any Pur-

chased Receivables or any interest therein or create any mortgage, charge or security interest or right of recourse in respect thereof in favour of any person (other than contemplated by this Prospectus).

The Issuer has not commenced operations since the date of its incorporation as of the date of this Prospectus.

Managing Directors

In accordance with Clause 8 of the articles of association (*Gesellschaftsvertrag*) of the Issuer, the Issuer is managed by at least two (2) managing directors (*Geschäftsführer*) and no more than three (3) managing directors. The managing directors are appointed by the shareholder's meeting of the Issuer. The Issuer is represented by two managing directors jointly.

The managing directors of the Issuer and their respective business addresses and other principal activities are:

<u>Name</u>	<u>Business Address</u>	<u>Other Principal Activities</u>
Burkhard Leffers	Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany	Managing Director (<i>Geschäftsführer</i>) of SFM Structure Finance Management (Deutschland) GmbH
Dr. Till Ergenzinger	Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany	Director of SFM Structure Finance Management (Deutschland) GmbH

Management and Principal Activities

The activities of the Issuer will principally be the issue of the Notes, entering into all documents relating to such issue to which the Issuer is expressed to be a party, the acquisition of the Purchased Receivables, the Related Collateral and the exercise of related rights and powers and other activities reasonably incidental thereto.

Capitalisation

The following shows the capitalisation of the Issuer as of 18 March 2014, adjusted for the issue of the Notes:

Share Capital

The registered share capital of the Issuer is EUR 4,500. The shareholder of the Issuer is Stichting SC Germany Consumer 2014-1, which holds one fully paid-in share (*Geschäftsanteil*) of EUR 4,500.

Loan Capital

EUR 1,350,000,000 Notes due February 2028

EUR 13,500,000 of outstanding advances under the Subordinated Loan

EUR 600,000 of outstanding advances under the Funding Loan

Employees

The Issuer will have no employees.

Property

The Issuer will not own any real property.

Litigation

The Issuer has not been engaged in any governmental, litigation or arbitration proceedings which may have a significant effect on its financial position since its incorporation, nor, as far as the Issuer is aware, are any such governmental, litigation or arbitration proceedings pending or threatened.

Material Adverse Change

Since its incorporation on 25 February 2014, there has been no material adverse change in the financial or trading position or the prospects of the Issuer.

Fiscal Year

The fiscal year of the Issuer is the calendar year and each calendar year ends on 31 December.

Interim Reports

The Issuer does not publish interim reports.

Distribution of Profits

The distribution of profits is governed by Clause 15 of the articles of association and Section 29 of the German Act on Companies with Limited Liability (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*) (subject, in particular, to the restrictions pursuant to Section 5a (3) of such Act so long as the registered share capital of the Issuer is lower than EUR 25,000).

Financial Statements

At the beginning of its commercial business and in respect of the end of each fiscal year, the Issuer is obliged to prepare a statement reflecting its assets and its liabilities (opening balance sheet and annual balance sheet). In addition, an analysis of the expenditure and revenues for the end of each fiscal year (profit-and-loss account) is required. The annual balance sheet and the profit-and-loss account, supplemented by the so-called 'appendix', form the annual statement (*Jahresabschluss*) of the Issuer. Furthermore, an annual management report (*Lagebericht*) may be required. The annual statements and, if required, the management report must be prepared in accordance with German GAAP (*Generally Accepted Accounting Principles*) and IFRS (*International Financial Reporting Standards*), respectively. The annual statement must be adopted, as well as the appropriation of profits, by the annual shareholders' meeting. German GAAP consists of, inter alia, requirements set

out in the German Commercial Code (HGB) and the German Act on Companies with Limited Liability (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*).

Since the incorporation of the Issuer on 25 February 2014, the Issuer has not prepared any financial statements and has not declared or paid any dividends as of the date of this Prospectus.

Auditors and Auditor's Reports

The auditors of the Issuer for the business year 2014 are Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft. Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Schwannstrasse 6, 40476 Düsseldorf, Germany is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*) and of the Public Company Accounting Oversight Board. Audits occur according to generally accepted auditing standards in Germany.

No auditors' report in respect of the Issuer has been prepared or distributed.

THE SELLER

Incorporation and Ownership

The Seller, Santander Consumer Bank AG ("**Santander Consumer Bank**"), has its registered office in Moenchengladbach and is registered in the commercial register at the local court (*Amtsgericht*) of Moenchengladbach under number HRB 1747. It is incorporated for an unlimited period of time. The purpose of Santander Consumer Bank is to conduct banking business according to the German Banking Act (*Kreditwesengesetz* - KWG) and to provide financial, advisory and similar services.

The Seller is a credit institution which was founded in 1957 in Moenchengladbach, Germany, under the name of *Curt Briechle KG Absatzfinanzierung* as a sales financing company for cars. Santander Consumer Bank has a full banking license since 30 October 1967. In 1968, the *Curt Briechle KG Absatzfinanzierung* was transformed into a stock corporation (AG) and renamed *Bankhaus Centrale Credit AG*. In 1987, *Bankhaus Centrale Credit AG* was acquired by Banco Santander, S.A. and renamed *CC-Bank AG*. In 1988, 50% of the shares of *CC-Bank AG* were acquired by The Royal Bank of Scotland plc and were repurchased by Banco Santander, S.A. in 1996 which thereby became the sole shareholder of the company.

In 2002, *CC-Bank AG* merged with *AKB Privat- und Handelsbank* which domiciled in Cologne. In 2003, *Santander Direkt Bank AG*, a member of the Santander Group, with its seat in Frankfurt am Main, merged with *CC-Bank AG*. This merger was recorded in the commercial register on 15 September 2003. On 31 August 2006, the change of the name into *Santander Consumer Bank AG* was recorded in the commercial register. Santander Consumer Bank acquired the consumer credit business of The Royal Bank of Scotland plc, *RBS (RD Europe) GmbH*, on 1 July 2008. The merger was recorded in the commercial register on 30 December 2008. Furthermore, in April 2009 Santander Consumer Bank acquired and merged with *GE Money Bank GmbH*. The merger was recorded in the commercial register on 1 July 2009.

With effect from 31 January 2011, Santander Consumer Bank acquired the German retail and SME (small and medium-sized enterprises) business of *SEB AG* ("**SEB**") in Germany. The company has been operating since 1 February 2011 under the name of Santander Bank, a branch of Santander Consumer Bank (hereinafter referred to as Santander Bank). By integrating SEB's retail and SME business, the Seller intends to expand and strengthen its retail banking business and expand its product range. Following the acquisition, Santander Consumer Bank has established itself as one of the largest banks in the German retail banking sector with around 6.4 million clients (as of end of December 2013) in Germany.

Today, the Seller's entire share capital of EUR 30,001,000 is held by Santander Consumer Holding GmbH, a limited liability company, based in Moenchengladbach. At year-end, all profits are transferred to Santander Consumer Holding GmbH, from where they are transferred to the parent company, Santander Consumer Finance S.A. ("**SCF**"), a subsidiary of Banco Santander, S.A. Possible losses are fully covered by the parent group (Santander Consumer Holding GmbH, SCF and Banco Santander, S.A.), after possible reserves from Santander Consumer Bank have been fully utilized.

Business Development of the Retail Installment Loan Market in Germany

The market for retail installment loans in Germany is highly competitive. The private consumer loan client with residence in Germany wants a high degree of convenience, efficient processes, fast decisions and an attractive pricing. Therefore, the German clients are highly price sensitive. According to data compiled by Bankenfachverband and own calculations the market share of the Seller in installment loans is 14.3% (as of end of September 2013). Besides the number of divorces the macroeconomic development (i. e. development of unemployment rate, overall wage development) has a huge impact on the cost of credit for banks. With an unemployment rate of 6.9% the German labour market proved unexpectedly robust in 2013 providing a solid basis for the retail installment loans market.

Business Activities

The Seller predominantly provides financial products and services to retail customers in the German retail banking market through its branches as well as via the internet. It is the largest non-captive car financier (i.e. a financier who is not dependent on any specific car producer) in Germany according to Bankenfachverband. In addition, Santander Consumer Bank is a reliable partner for the durables financing sector (e.g. furniture and electronic retailer) and provides its consumer finance expertise to almost 25,000 dealers. Together with the former German SEB retail banking business, branded Santander Bank, and the online banking activities, branded Santander Direkt Bank, Santander Consumer Bank offers a wide range of banking services in Germany through its 324 branches (as well as 10 dealer distribution centers) and with employees in total of 3.727 (as of end of December 2013).

The activities of the Seller are organised in three business areas: "Car Financing", "Durables Financing" and "Retail Banking Business".

Business Area Car Financing

For Santander Consumer Bank, car financing is a central business area. Car financing consists of the two business units "Motor Vehicles" (new and used cars, motorcycles and caravans) and "Stock Financing" (stock financing for dealerships). The car financing is not included in the Portfolio.

According to Bankenfachverband, Santander Consumer Bank is the largest independent, non-captive car financier in Germany and the second largest independent car financier overall in Germany, including captives. Santander Consumer Bank is working together with more than 21,000 car dealers. Moreover, Santander Consumer Bank is continuously intensifying its cooperation with the car dealers in order to support sales financing. In January 2012, a new cooperation was launched with Volvo in Germany (under the brand Volvo Car Financial Services).

Business Area Durables Financing

A further line of business of Santander Consumer Bank includes loans which are not related to vehicle financing but to financing of consumer goods such as consumer electronics, computers, and furniture (durables). The Seller is a major provider of consumer goods financing services (so called indirect business) in Germany. Santander Consumer Bank works closely with over 27,000 trade partners in the durables financing business who increasingly use financing of consumer goods as a marketing tool. The main sales drivers are the areas of entertainment electronics, com-

puters and furniture. In 2011, a new cooperation was signed with another leading furniture supplier in Germany, which came into effect in 2012. Santander Consumer Bank is therefore cooperating with the second, third and fourth largest furniture dealers in Germany. Furthermore, Santander Consumer Bank offers full-service financing and e-commerce solutions for web shops. A key product is the so-called "ComfortCard Plus", a form of loyalty card which includes a credit line with a predetermined limit and additional insurance services. The durables financing is not included in the Portfolio.

Business Area Retail Banking Business

Santander Consumer Bank offers a range of classic retail banking products to private customers in its 324 branches in Germany (as of end of December 2013). These services comprise current and savings accounts, instalment loans (*Ratenkredite*) and consumer finance services. These Consumer Loans (so called direct business) are included in the Portfolio.

With the carve out of the German SEB Retail and SME portfolio, Santander Bank, as a new retail banking unit and brand, was created within the existing structure of Santander Consumer Bank. This acquisition allows the Seller to establish a platform for upcoming retail business across the entire product range in Germany. Santander Bank offers the whole range of banking products like savings, insurances, mortgages and consumer loans and, in addition, also funds, asset management and structured investment products as well as the mortgage finance business.

Whereas the relatively loan-oriented retail banking business is conducted by Santander Consumer Bank, Santander Bank focuses on the business with investment-oriented customers, who require more in-depth advice.

Origination

Santander Consumer Bank originates its Consumer Loans through the branches, mailings, a fully-fledged telephone service and, to a lesser extent, the online banking activities, branded Santander Direkt Bank.

General Characteristics of Consumer Loans

Instalments

In general, the term of general-purpose Consumer Loans varies from 12 to 96 months. Loans are repayable in equal monthly instalments due at the first or fifteenth of the calendar month, in the vast majority of cases per direct debit (*Lastschriftinzug*).

Interest Rates

The interest rates for the retail consumer loans are fixed for the lifetime of the loans. Santander Consumer Bank determines the interest rates on the basis of the market situation.

Insurance

Some of the general-purpose consumer loans include loss compensation insurance on a facultative basis, which covers the still outstanding loan instalments for example in the case of death, accident, unemployment or disability of the debtor.

Systems

For the Consumer Loans originated by Santander Consumer Bank the Bank uses an application processing system making use of internal and external information as well as the self-disclosure of the customer. The employees of Santander Consumer Bank feed the data in the system. Santander Consumer Bank's system will then review the information on the basis of the Santander Consumer Bank's lending criteria. If Santander Consumer Bank's system (risk engine making use of a traffic light system) comes to the result that Santander Consumer Bank's lending criteria are not met the request will be subject to a (final) manual credit check by a unit called risk underwriting. The final result as to whether or not a Consumer Loan will be granted is finally communicated to the customer. It enables Santander Consumer Bank to provide the customer with a binding offer within a short period of time from the Consumer Loan application.

Prepayments

Under Santander Consumer Bank's loan contracts, prepayments are generally permissible. In some cases Santander Consumer Bank grants additional credit on demand of the customer. In this case the old contract is cancelled and a new loan contract will be granted.

Collateral

The general-purpose Consumer Loans are generally unsecured. However, some loans do have a collateral, e.g. assignment of wages and loss compensation insurance claims (*Ratenschutzversicherungsansprüche*).

THE PRINCIPAL PAYING AGENT, CALCULATION AGENT AND CASH MANAGER

The Principal Paying Agent, Calculation Agent and Cash Manager is The Bank of New York Mellon (formerly The Bank of New York), acting through its London Branch, One Canada Square, London E14 5AL, United Kingdom.

THE BANK OF NEW YORK MELLON (formerly The Bank of New York)

The Bank of New York Mellon, a wholly owned subsidiary of The Bank of New York Mellon Corporation, is incorporated, with limited liability by Charter, under the Laws of the State of New York by special act of the New York State Legislature, Chapter 616 of the Laws of 1871, with its Head Office situate at One Wall Street, New York, NY 10286, USA and having a branch registered in England & Wales with FC No 005522 and BR No 000818 with its principal office in the United Kingdom situated at One Canada Square, London E14 5AL.

The Bank of New York Mellon's corporate trust business services \$12 trillion in outstanding debt from 55 locations around the world. It services all major debt categories, including corporate and municipal debt, mortgage-backed and asset-backed securities, collateralized debt obligations, derivative securities and international debt offerings. The Bank of New York Mellon's corporate trust and agency services are delivered through The Bank of New York Mellon and The Bank of New York Mellon Trust Company, N.A.

The Bank of New York Mellon Corporation is a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. The company is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. It has more than \$26 trillion in assets under custody and administration and more than \$1.4 trillion in assets under management.

Additional information is available at bnymellon.com.

The foregoing information regarding The Bank of New York Mellon, acting through its London Branch under the heading "The Principal Paying Agent, Calculation Agent and Cash Manager" has been provided by the Bank of New York Mellon, acting through its London Branch and the Issuer assumes no responsibility therefor.

THE ACCOUNT BANK

The Account Bank is The Bank of New York Mellon (formerly The Bank of New York), acting through its Frankfurt Branch, Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main, Germany.

THE BANK OF NEW YORK MELLON (formerly The Bank of New York)

The Bank of New York Mellon, a wholly owned subsidiary of The Bank of New York Mellon Corporation, is incorporated, with limited liability by Charter, under the Laws of the State of New York by special act of the New York State Legislature, Chapter 616 of the Laws of 1871, with its Head Office situate at One Wall Street, New York, NY 10286, USA and having a branch registered in Frankfurt am Main with (Amtsgericht Frankfurt am Main) HRB 12731 with its office in Germany situated at Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main.

The Bank of New York Mellon's corporate trust business services \$12 trillion in outstanding debt from 55 locations around the world. It services all major debt categories, including corporate and municipal debt, mortgage-backed and asset-backed securities, collateralized debt obligations, derivative securities and international debt offerings. The Bank of New York Mellon's corporate trust and agency services are delivered through The Bank of New York Mellon and The Bank of New York Mellon Trust Company, N.A.

The Bank of New York Mellon Corporation is a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. The company is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. It has more than \$26 trillion in assets under custody and administration and more than \$1.4 trillion in assets under management.

Additional information is available at bnymellon.com.

The foregoing information regarding The Bank of New York Mellon, acting through its Frankfurt Branch under the heading "The Account Bank" has been provided by the Bank of New York Mellon, acting through its Frankfurt Branch and the Issuer assumes no responsibility therefor.

THE CORPORATE ADMINISTRATOR AND DATA TRUSTEE

Pursuant to the Corporate Administration Agreement, SFM Structured Finance Management (Deutschland) GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany will act as corporate administrator in respect of the Issuer and pursuant to the Data Trust Agreement SFM Structured Finance Management (Deutschland) GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany will be Data Trustee.

SFM Structured Finance Management (Deutschland) GmbH was established in 2005 to provide independent directors and corporate administration services for the securitisation and structured finance industry in Germany.

The foregoing information regarding the Corporate Administrator and the Data Trustee under the heading "THE CORPORATE ADMINISTRATOR AND DATA TRUSTEE" has been provided by SFM Structured Finance Management (Deutschland) GmbH and the Issuer has accurately reproduced such information but assumes no further responsibility therefor.

THE TRANSACTION SECURITY TRUSTEE

The Transaction Security Trustee is SFM Trustees Limited.

Pursuant to the Transaction Security Agreement, the Transaction Security Trustee has agreed to serve in a fiduciary capacity to protect the interests of the Noteholders. In Clause 4.2 of the Transaction Security Agreement, the Issuer will grant to the Transaction Security Trustee the Transaction Security Trustee Claim, a separate claim against the Issuer, allowing it to demand that the Issuer fulfils all obligations under the Transaction Documents. To secure such Transaction Security Trustee Claim, the Issuer has agreed to transfer and pledge the Collateral to the Transaction Security Trustee under the Transaction Security Agreement. The Transaction Security Trustee will hold the Collateral for the benefit of the Beneficiaries, including the Noteholders. Pursuant to the Transaction Security Agreement, the Transaction Security Trustee has the right and duty, to the extent necessary, to hold, administer or realise the Collateral for the benefit of the Beneficiaries.

However, until revocation by the Issuer and *provided that* the Issuer fulfils its obligations under the Notes, the management of the Purchased Receivables and the Related Collateral remains vested in the Servicer. The Transaction Security Trustee is not obligated to monitor the fulfilment of the duties of the Issuer under the Notes, the Terms and Conditions or any other contracts to which the Issuer is a party. Subject to Clause 3.2 of the Transaction Security Agreement, the Noteholders are entitled to demand from the Transaction Security Trustee the fulfilment of its duties as specified under the Terms and Conditions. Notwithstanding the provisions of the Transaction Security Agreement, all rights of the Noteholders shall remain at all times and under all circumstances vested in the Noteholders. See "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT".

SFM Trustees Limited (registered number 7359549) is a private limited company incorporated under the laws of England and Wales, having its office at 35 Great St. Helen's, London EC3A 6AP will be appointed to provide trustee services to the Issuer pursuant to the Transaction Security Agreement. SFM Trustees Limited acting through its directors will provide the trustee services to the Noteholders pursuant to the Transaction Security Agreement.

SFM Trustees Limited has served and is currently serving as trustee for numerous securitisation transactions and programmes.

The foregoing information regarding the status of incorporation and the business activities of the Transaction Security Trustee under the heading "THE TRANSACTION SECURITY TRUSTEE" has been provided by the Transaction Security Trustee itself and the Issuer assumes no responsibility therefore.

THE LUXEMBOURG LISTING AGENT AND LUXEMBOURG INTERMEDIARY

The Luxembourg Listing Agent and Luxembourg Intermediary is The Bank of New York Mellon (Luxembourg) S.A.

The Bank of New York Mellon (Luxembourg) S.A.

The Bank of New York Mellon (Luxembourg) S.A. was incorporated in the Grand Duchy of Luxembourg as a société anonyme on 15 December 1998 under the Luxembourg Law of 10th August 1915 on commercial companies, as amended, and has its registered office at 2-4 rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg. It is an indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation.

On 20 January 1999 The Bank of New York Mellon (Luxembourg) S.A. received its banking licence in accordance with the Luxembourg Law of 5 April 1993 on the financial sector, as amended, and has engaged in banking activities since then. On 19 October 2006 The Bank of New York Mellon (Luxembourg) S.A. has enhanced its banking licence to cover as well the activities of administrative agent of the financial sector.

The Bank of New York Mellon (Luxembourg) S.A. is supervised by the Luxembourg financial regulator, the Commission de Surveillance du Secteur Financier.

The foregoing information regarding the Luxembourg Listing Agent and Luxembourg Intermediary under the heading "THE LUXEMBOURG LISTING AGENT AND LUXEMBOURG INTERMEDIARY" has been provided by The Bank of New York Mellon (Luxembourg) S.A. and the Issuer assumes no responsibility therefor.

THE ACCOUNTS

The Issuer will maintain the Transaction Account in connection with the Transaction Documents for the receipt of amounts relating to the Purchased Receivables and the Related Collateral and for the completion of its related payment obligations. The Issuer will maintain the Commingling Reserve Account to which the Seller will transfer the Commingling Reserve Amount following the occurrence of a Commingling Reserve Trigger Event. The Issuer will maintain the Set-Off Reserve Account to which the Seller will transfer the Set-Off Reserve Amount following the occurrence of a Set-Off Reserve Trigger Event. The Issuer will maintain the Purchase Shortfall Account (together with the Transaction Account, the Commingling Reserve Account and the Set-Off Reserve Account the "**Accounts**" and each, an "**Account**") to which the Seller will transfer the Purchase Shortfall Amount following the occurrence of a Purchase Shortfall Event. Each Account will be kept as a current account at the Account Bank, The Bank of New York Mellon, Frankfurt Branch, in accordance with the Accounts Agreement, the Corporate Administration Agreement and the Transaction Security Agreement, or any other person appointed as Account Bank.

The Corporate Administrator shall make payments from any Account without having to execute an affidavit or fulfil any formalities other than comply with tax, currency exchange or other regulations of the country where the payment takes place.

All payments to be made by or to the Issuer in connection with the Notes and the other Transaction Documents, as well as the processing of proceeds from the Purchased Receivables and the Related Collateral, are undertaken through the Transaction Account and, if applicable, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account. Neither the balance on the Transaction Account, nor the balance on the Commingling Reserve Account, nor the balance on the Set-Off Reserve Account nor the balance on the Purchase Shortfall Account nor any balance on any other Account may be utilised for any type of investments and all Accounts are solely cash accounts.

Pursuant to the Transaction Security Agreement, all claims of the Issuer in respect to the Transaction Account are transferred for the security purposes to the Transaction Security Trustee. Under the Transaction Security Agreement, the Transaction Security Trustee has authorised the Issuer to administer the Transaction Account to the extent that all obligations of the Issuer are fulfilled in accordance with the Pre-Enforcement Priority of Payments, Condition 7.7 (*Pre-Enforcement Priority of Payments*) of the Terms and Conditions and the requirements of the Transaction Security Agreement. The Transaction Security Trustee may revoke the authority granted to the Issuer and take any necessary action with respect to the Transaction Account if, in the opinion of the Transaction Security Trustee, this is necessary to protect the collateral rights under the Transaction Security Agreement, including funds credited to the Transaction Account.

In addition, the Transaction Security Trustee will have the right to receive periodic account statements of the Transaction Account and may intervene in such instructions in such circumstances as provided for in the Transaction Security Agreement. See "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT".

Upon the occurrence of an Issuer Event of Default, each Account will be directly administered solely by the Transaction Security Trustee.

ACCOUNTS AGREEMENT

Pursuant to the Accounts Agreement entered into between the Issuer, the Transaction Security Trustee, the Account Bank and the Cash Manager in relation to the Transaction Account, each of the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account has been opened with the Account Bank on or prior to the first Purchase Date. The Account Bank will comply with any written direction of the Corporate Administrator to effect a payment by debit from the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account or the Purchase Shortfall Account, as applicable, if such direction is in writing and complies with the relevant account arrangements between the Issuer and the Account Bank and is permitted under the Accounts Agreement.

Any amount standing to the credit of the Accounts will bear interest as agreed between the Issuer and the Account Bank from time to time, always in accordance with the applicable provisions (if any) of the relevant account arrangements, such interest to be calculated and credited to the respective Account in accordance to the Account Bank's usual procedure for crediting interest to such accounts. The interest earned on the amounts credited to the Transaction Account and the Purchase Shortfall Account is part of the Available Distribution Amount or the Credit, as applicable. The interest earned on the amounts credited to the Commingling Reserve Account and the interest earned on the amounts credited to the Set-Off Reserve Account is, in each case, neither part of the Available Distribution Amount nor the Credit, as applicable, but will be transferred to an account specified by the Seller on each Payment Date, it being understood that such payment will not be subject to either the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, respectively.

Under the Accounts Agreement, the Account Bank waives any first priority pledge or other lien, including its standard contract terms pledge (*AGB-Pfandrecht*), it may have with respect to the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account, respectively, and further waives any right it has or may acquire to combine, consolidate or merge the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account, respectively, with each other or any other account of the Issuer, or any other person or set-off any liabilities of the Issuer or any other person to the Account Bank and agrees that it shall not set-off or transfer any sum standing to the credit of or to be credited to the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account or the Purchase Shortfall Account, respectively, in or towards satisfaction of any liabilities to the Account Bank of the Issuer, as the case may be, or any other person.

The Issuer and the Transaction Security Trustee will together terminate the account relationship with the Account Bank within 30 (thirty) calendar days after a Account Bank Downgrade has occurred. The short-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are currently rated R-1 (high) (or its replacement) by DBRS and A-1+ (or its replacement) by S&P and the long-term, unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are currently rated AA (or its replacement) by DBRS and AA- (or its replacement) by S&P.

TAXATION

General

The following is a general discussion of certain German tax consequences of the acquisition and ownership of Notes. This discussion does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Germany currently in force and as applied on the date of this Prospectus, which are subject to change, possibly also with retroactive or retrospective effect.

PROSPECTIVE PURCHASERS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES AND THE RECEIPT OF INTEREST THEREON, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES, UNDER THE TAX LAWS OF GERMANY AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS OR CITIZENS.

Taxation in Germany

This section should be read in conjunction with "RISK FACTORS — TAXATION IN GERMANY".

Tax Residents

Payments of interest on the Notes to persons or entities who are tax residents in Germany (i.e., persons or entities whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany) are subject to German personal income tax (*Einkommensteuer*) or corporate income tax (*Körperschaftsteuer*) (plus solidarity surcharge (*Solidaritätszuschlag*) at a rate of 5.5% thereon). Such interest payments may also be subject to trade tax (*Gewerbesteuer*) if the Notes form part of the property of a German trade or business.

Notes as non-business assets

Income derived from capital investments (*Einkünfte aus Kapitalvermögen*) is subject to a flat tax (*Abgeltungssteuer*). Such income from capital investments includes, *inter alia*, any interest received including interest having accrued up to the disposition of a Note and credited separately ("**Accrued Interest**" – *Stückzinsen*), if any, and capital gains from the disposal, redemption, repayment or assignment of Notes held as non-business assets, irrespective of a holding period. As a rule, the flat tax is imposed by way of withholding. Payment of the flat tax generally satisfies any income tax liability of the Noteholder in respect of such investment income or private capital gains. The flat tax will be levied at a rate of 25% (plus 5.5% solidarity surcharge thereon and, as the case may be, church tax which is not further addressed in this summary) of the relevant gross income. No expenses related to the investment income except for a small annual lump-sum tax allowance (of up to EUR 801 for singles, EUR 1,602 for married couples filing a joint tax return) on all income derived from capital investments will be deductible. The flat tax rate is in principle definitive. However, Noteholders will be entitled to apply for a tax assessment, i.e. to include all investment income and private capital gains in their taxable income if the tax assessment will lower the personal income tax burden or in order to set off losses or make use of the lump sum tax allowance if this has not already happened in the withholding process. However, even in this case,

the investment income and private capital gains will have to be taken into account at their gross amount, i.e. any income-related expenses except for the above mentioned lump-sum tax allowance will not be deductible from the Noteholder's tax base.

Accrued Interest paid upon the acquisition of a privately held Note may give rise to negative income from capital investments. Such negative income and losses from private investments can only be set off with income from private investments. Any losses not offset in a given year may be carried forward to future years and be deducted from private income from capital investments.

The Issuer is not obliged to compensate any tax amounts withheld (see also "TERMS AND CONDITIONS – Taxes").

If the income from the Notes is allocable to income from leasing and letting or income from independent work, the flat tax regime is not applicable. In such case, any tax withheld will be credited against the personal income tax. The income from the Notes is then taxable at the personal income tax rates of up to 45% (plus solidarity surcharge thereon of 5.5%); related expenses are deductible.

The section Withholding Tax below is supplementary to the above.

Notes as business assets

Interest income and capital gains derived by German resident corporate holders of Notes will be subject to corporate income tax at a rate of 15 % (plus solidarity surcharge thereon of 5.5 %) and trade tax. In case of Notes held by an individual as a business asset, the income will be taxable at the personal income tax rates of up to 45% (plus solidarity surcharge thereon of 5.5%) and trade tax. Losses incurred upon the sale or redemption of the Notes may give rise to negative income.

Interest income and capital gains derived by German resident partnerships are subject to trade tax at the level of the partnership. Profits realised by partnerships will be allocated to the partners for (corporate) income tax purposes. Individuals as partners are subject to income tax at their respective income tax rate. Corporations as partners are subject to corporate income tax.

The section Withholding Tax below is supplementary to the above.

Withholding Tax

Withholding tax, if applicable, is levied at a uniform rate of 25% plus solidarity surcharge thereon of 5.5%. A German branch of a German or non-German bank, financial services institution, or securities trading bank or business ("**Disbursing Agent**") is in principle obliged to withhold withholding tax and pay it to the German tax authorities for the account of the holder of a Note.

Where Notes are held in a custodial account that the holder of the Note maintains with a Disbursing Agent, withholding tax will be levied on the gross interest payments. In the event that the disposition, redemption, repayment or assignment of a Note is made or commissioned through an agent effecting such disposition, redemption, repayment or assignment commission, withholding tax is levied on the capital gains from the transaction. To the extent the Notes have not been kept in a custodial account with the Disbursing Agent since the time of acquisition, upon the disposal, redemption, repayment or assignment, the withholding tax rate is applied to 30% of the disposal proceeds, unless the holder of the Notes provides evidence of the actual acquisition cost by submitting a certificate of the previous Disbursing Agent or a foreign credit or financial services in-

stitution within the European Economic Area. In computing the withholding tax base, the Disbursing Agent will take into account Accrued Interest paid to it and, according to a specific procedure, losses from the disposal of capital investments (other than shares) from other transactions entered into through or with the Disbursing Agent. If the losses realised cannot be offset in full against positive income from capital investments, the Disbursing Agent will upon request issue a certificate stating the losses in order for them to be offset or carried forward in the assessment procedure. The request is irrevocable.

If Notes are not kept in a custodial account with a Disbursing Agent, withholding tax will arise on the gross amount of interest paid by a Disbursing Agent upon presentation of a coupon (whether or not presented with the Note to which it appertains) to a holder of such coupon (other than a non-German bank or financial services institution) (*Tafelgeschäft*). In this case, withholding tax will apply on 30% of the proceeds from the disposition, assignment or redemption of a coupon or of the Note. Further, if the Notes would be qualified as profit participation loans, withholding tax in the amount of 25% plus solidarity surcharge thereon of 5.5% will be triggered.

Accrued Interest previously paid and losses will not be taken into consideration when determining the withholding tax base.

If, in the case of physical delivery, no cash payment is made on redemption, the Disbursing Agent will request the holder of the Note to pay the withholding tax amount to it. If the holder of the Note does not pay the amount to be withheld to the Disbursing Agent, the latter must notify the tax authorities of such failure which will then otherwise collect the tax not withheld.

In general, no withholding tax will be levied if the holder of the Note is an individual (i) whose Notes do not form part of the assets of a German trade or business and are not allocated to income from a self-employed activity (*selbstständige Arbeit*) or from leasing and letting of property, and (ii) who files an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, but only to the extent the interest income derived from the Notes together with the other income from capital investment does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the holder of a Note has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the relevant local tax office.

The personal income tax liability of a holder holding the Notes as private assets which are not allocable to a trade or business, to income from a self-employed activity (*selbstständige Arbeit*) or from the leasing and letting of property is, in principle, settled by the tax withheld. However, if the holder of the notes is owing church tax and no church tax is withheld by the Disbursing Agent upon formal application of the holder of the Notes, the holder remains obliged to file a tax return. A tax assessment may be applied for in the cases outlined above. In assessment cases and in cases where the Note is held as a business asset or is allocable to other types of income, the withholding tax is credited against the income tax or corporate income tax liability of the holder of the Note, or is refunded.

Taxes on the capital gains of a private law corporation that is subject to unlimited taxation in Germany and not exempt from corporate income tax, and that is neither a domestic bank, nor a domestic financial institution nor a domestic investment company, are not collected in the form of withholding tax. In the case of certain specific groups of corporations, this applies only if they

provide evidence falling under this group of taxpayers by a certificate from their competent tax office.

To the extent that the capital gains represent business income of a domestic business establishment and the sole proprietor declares this to be so to the domestic disbursing agent on the officially required standard form, the domestic disbursing agent does not need to deduct an amount as withholding tax withholding.

Upon application, withholding tax deductions must not be withheld from capital gains that constitute operating income if and when the withholding tax on the shareholder – given the nature of his business – would be higher, in the long run, than the total personal or corporate income tax to be assessed.

The Issuer has been advised that against the background of the decision of the BFH dated 22 June 2010, I R 78/09 no withholding tax and solidarity surcharge thereon has to be withheld by the Issuer on payments of interest under the Notes.

Non-Residents

Interest, including Accrued Interest, and capital gains are not subject to German taxation, unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the holder of a Note or (ii) the interest income otherwise constitutes German source income such as income from the letting and leasing of certain property located in Germany. In cases (i) and (ii) a regime similar to that above in the section "Tax Residents", including the withholding tax regime, applies; capital gains from the disposition of Notes are, however, only taxable in the case of (i).

The withholding tax may be refunded based upon an applicable tax treaty.

The Issuer is not obliged to compensate any tax amounts withheld (see also "TERMS AND CONDITIONS – Taxes").

Inheritance and Gift Tax

No inheritance or gift taxes with respect to any Note will arise under the laws of Germany, if, in the case of inheritance tax, neither the descendant nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates, i.e. citizens who maintained a residence in Germany.

Other Taxes

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in the Germany.

EU Savings Directive

On 3 June 2003 the Council of the European Union approved a directive regarding the taxation of savings income in the form of interest payments (EC Council Directive 2003/48/EC). Accordingly, each EU Member State must require paying agents (within the meaning of such directive) established within its territory to provide to the competent authority of this state details of the payment of interest made to any individual resident in another EU Member State as the beneficial owner of the interest. The competent authority of the EU Member State of the paying agent (within the meaning of the EU Savings Directive) is then required to communicate this information to the competent authority of the EU Member State of which the beneficial owner of the interest is a resident.

For a transitional period, Austria and Luxembourg may opt instead to withhold tax from interest payments within the meaning of the EU Savings Directive at a rate of 35% from July 2011. Luxembourg has announced that it will cease to withhold tax as from 1 January 2015 and instead apply the exchange of information.

In conformity with the prerequisites for the application of the EU Savings Directive a number of Non-EU countries (including Switzerland, Liechtenstein, San Marino, Monaco and Andorra) and certain dependent or associated territories (the Channel Islands, the Isle of Man and certain dependent or associated territories in the Caribbean) have agreed to apply measures equivalent to those in the directive (a withholding system in the case of Switzerland). By legislative regulations dated 26 January 2004 the German Federal Government enacted the provisions for implementing the EU Savings Directive into German law. These provisions apply as from 1 July 2005. Holders who are individuals should note that the Issuer will not pay additional in respect of any withholding tax imposed as a result of the EU Savings Directive.

The EU Savings Directive is currently being reviewed. One of the issues under discussion is an extension of its scope to include interest income derived by certain corporations.

German Taxation of the Issuer

Corporate Income Tax

As the Issuer is a corporation with its statutory seat and its place of effective management and control in Germany, business profits derived by the Issuer will be subject to German corporate income tax (*Körperschaftsteuer*) and solidarity surcharge (*Solidaritätszuschlag*) at a rate of 5.5% thereon.

The Issuer's corporate income tax base will be determined on an accruals basis. Consequently, interests payable on the Notes as well as business expenditure incurred by the Issuer will be deductible and the Issuer's taxable income will be close to zero or relatively low, if, as anticipated by the Issuer, the amount of income received by the issuer does not significantly exceed the aggregate amount of business expenses incurred by the issuer in an assessment period. The Issuer will be subject to corporate income tax on the exceeding amount.

The deductibility of interest payments for German tax purposes may be subject to certain limitations: According to Section 4h of the German Income Tax Act (*Einkommensteuergesetz*), net interest payments exceeding 30% of the Issuer's earnings (adjusted by interest expense, interest income and certain depreciations) ("**Offsettable Tax EBITDA**" – *verrechenbares EBITDA*) are

subject to certain exceptions) not deductible for German tax purposes ("**Interest Barrier Rule**"). The Interest Barrier Rule, however, applies only if the net interest payments (interest payments minus interest income) equal or exceed EUR 3,000,000 in a calendar year. It is expected that the interest income received by the issuer should at any time be at least equal than the interest expenses paid on the Notes. Therefore the net balance of any given business year should not be negative or at least not exceeding the EUR 3,000,000 threshold.

Interest payments that are not deductible, if any, can be carried-forward into future years. As far as the Offsettable Tax EBITDA exceeds the net interest payments, it can as a rule also be carried-forward into the next five years. Interest payments carried-forward first have to be set off against an existing Offsettable Tax EBITDA carried-forward before they can be deducted from the new Offsettable Tax EBITDA corresponding to the assessment period in question. Still, a significant tax liability of the Issuer does insofar not incur as long as the interest paid under the notes corresponds to the interest received from the underlying receivables because in this case the net interest payments would not exceed 30% of the Issuer's earnings (adjusted by interest expense, interest income and certain depreciations). Interest payments made on the Notes would not be deductible if the German tax authorities would qualify the Notes as debt and not as equity. In this respect, there is also no clear guidance available so that it cannot be ruled out that the German tax authorities could come to the conclusion that interest on all or part of the Notes may not be tax deductible.

The Issuer may show in its financial statements its obligation regarding payments of interests on the Notes. There will be no dependency of a claim upon certain revenues or profits giving rise to an application of Section 5(2a) of the German Income Tax Act (*Einkommensteuergesetz*). Even though the amount of the payments to be made under the Notes depends upon the development of the Purchased Receivables, the underlying payment obligation itself is, in a legal sense, not conditional upon the Issuer having incurred any revenues or profits. The fact that the right to payment of interest on the principal of the Class B Notes is subordinated and that the Notes of all Classes are only of limited recourse to the underlying Purchased Receivables would not change this analysis. At least with respect to the subordination of claims, this view is supported by a circular issued by the German Federal Ministry of Finance (*Bundesministerium der Finanzen*) on 8 September 2006 (IV-B2-S2133 – 10/06).

Trade Tax

As the activities of the Issuer qualify as a trade or business (*Gewerbebetrieb*) and the Issuer's statutory seat and place of effective management and control are in Germany, the Issuer will be subject to German trade tax. In principle, the taxpayer's corporate income tax base also constitutes the tax base for German trade tax purposes.

Pursuant to Section 8 no. 1 a) of the German Trade Tax Act (*Gewerbsteuergesetz*) a quarter of the interest exceeding the amount of EUR 100,000 would generally be not deductible from the trade tax base. However, the Issuer will be able to rely on Section 19 of the German Trade Tax Ordinance (*Gewerbsteuerdurchführungsverordnung*) ("**GTTO**"). Section 19 contains a special rule for the computation of interest payments by financial institutions for the purpose of Section 8 no. 1 a) of the German Trade Tax Act (*Gewerbsteuergesetz*) by limiting the definition of interest payments to interest on debt relating to certain fixed assets. Under Section 19 (3) No. 2 of the

GTTO this special rule also applies to the Issuer as an entity that is solely engaged in the issuing of debentures for the purpose of funding the acquisition of bank-originated payment claims. Even though not free of doubt Section 19 (3) No. 2 of the GTTO should also apply in case for accounting and income tax purposes the legal true sale of the Purchased Receivables under the Receivables Purchase Agreement is recharacterized into a secured lending with the consequence that economically the Issuer is deemed holding a loan receivable against the Seller. Based on Section 19 (3) No. 2 of the GTTO the Issuer's trade tax base will likely not be different from its corporate income tax base. This again obviously rests on the assumption that the German tax authorities would qualify interest payment on the Notes as debt and not as equity.

VAT

Subject to the discussion set out in "RISK FACTORS — TAXATION IN GERMANY", a VAT liability with regard to the Seller's servicing of the receivables should not arise.

SUBSCRIPTION AND SALE

Subscription of the Notes

Pursuant to the Subscription Agreement, the Manager has agreed, subject to certain conditions, to subscribe, or to procure subscriptions, for the Notes. In addition, the Seller has agreed, subject to certain conditions, to subscribe for the Class B Notes. The Issuer has agreed to pay the Manager a combined management, underwriting and placement commission on the Class A Notes and the Class B Notes, as agreed between the parties to the Subscription Agreement. The Issuer has further agreed to reimburse the Manager for certain of its expenses in connection with the issue of the Notes. The Issuer will draw an advance under the Funding Loan to pay, *inter alia*, any selling concessions, transaction structuring fees and underwriting and placement commissions and expenses of the Manager.

In the Subscription Agreement, the Issuer has made certain representations and warranties in respect of its legal and financial matters.

The Subscription Agreement entitles the Manager to terminate its obligations thereunder in certain circumstances prior to payment of the purchase price of the Notes. The Issuer has agreed to indemnify the Manager against certain liabilities in connection with the offer and sale of the Notes.

Selling Restrictions

European Economic Area

The Manager represents and agrees that in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuer or the Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression **an offer of Notes to the public** in relation to the Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes

any relevant implementing measure in each Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

United States of America and its Territories

1. **NO REGISTRATION UNDER SECURITIES ACT**

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

2. **COMPLIANCE BY ISSUER WITH UNITED STATES SECURITIES LAWS**

The Issuer represents, warrants and undertakes to the Manager and that:

- (c) within the preceding six months, neither the Issuer nor any other person acting on its behalf has offered or sold, or will offer or sell, to any person any Notes in any circumstances which would be integrated with the Notes in a manner which would require the registration of any of the Notes under the Securities Act;
- (d) neither the Issuer nor any of its affiliates or any person acting on its behalf has engaged or will engage in any directed selling efforts within the meaning of Rule 902 under the Securities Act with respect to the Notes;
- (e) the Issuer is a "foreign issuer" (as defined in Regulation S) and there is no "substantial U.S. market interest" (as defined in Regulation S) in the Notes or other debt securities of the Issuer, and the Issuer has complied with and will comply with the offering restrictions requirement of Regulation S under the Securities Act;
- (f) neither the Issuer nor any person acting on its behalf has solicited or will solicit any offer to buy or sell the Notes by any form of general solicitation or general advertising, including but not limited to the methods described in Rule 502(c) under the Securities Act in connection with the offer and sale of the Notes in the United States; and

the Issuer is not, and after giving effect to the offering and sale of the Notes, will not be a company registered or required to be registered as an investment company, as such term is defined in the United States Investment Company Act of 1940, as amended (the **Investment Company Act**).

3. **THE MANAGERS' COMPLIANCE WITH UNITED STATES SECURITIES LAWS**

The Manager represents, warrants and undertakes to the Issuer that:

- (g) it has offered and sold the Notes, and will offer and sell the Notes (a) as part of their distribution at any time and (b) otherwise until the expiration of the distribution compliance period of forty days after the later of the commencement of the offering and the Closing Date only in accordance with Rule 903 of Regulation S under the Securities Act;
- (h) at or prior to confirmation of sale of the Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases any Notes

from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, (a) as part of their distribution at any time or (b) otherwise until forty days after the later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S."

- (i) it, its affiliates and any person acting on its or their behalf have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act;
- (j) neither it, its affiliates nor any person acting on its or their behalf have engaged or will engage in any directed selling efforts within the meaning of Rule 902 under the Securities Act with respect to the Notes;
- (k) neither it, its affiliates nor any person acting on its or their behalf, has solicited or will solicit any offer to buy or sell the Notes by any form of general solicitation or general advertising, including but not limited to the methods described in Rule 502(c) under the Securities Act in connection with the offer and sale of the Notes in the United States; and
- (l) it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of the Notes, except with its affiliates or with the prior written consent of the Issuer.

4. **THE MANAGERS' COMPLIANCE WITH UNITED STATES TREASURY REGULATIONS**

The Manager represents, warrants and undertakes to the Issuer that:

- (a) Except to the extent permitted under United States Treasury Regulation §1.163-5(c)(2)(i)(D), as amended, or substantially identical successor provisions (the **D Rules**):
 - (i) it has not offered or sold, and until the expiration of a restricted period beginning on the earlier of the Closing Date or the commencement of the offering and ending forty days after the Closing Date will not offer or sell, any Notes to a person who is within the United States or its possessions or to a United States person; and
 - (ii) it has not delivered and will not deliver in definitive form within the United States or its possessions any Notes sold during the restricted period;
- (b) it has, and throughout the restricted period will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that the Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (c) if it is a United States person, it is acquiring the Notes for the purposes of resale in connection with their original issuance and, if it retains initial Notes for its own account, it will only do so in accordance with the requirements of United States Treasury Regulation §1.163-5(c)(2)(i)(D)(6);

- (d) with respect to each affiliate of such Manager that acquires any Notes from such Manager for the purpose of offering or selling such Notes during the restricted period, such Manager repeats and confirms for the benefit of the Issuer the representations, warranties and undertakings contained in Paragraphs (a), (b) and (c) above on such affiliate's behalf; and
- (e) the Manager represents and agrees that it has not entered and will not enter into any contractual arrangement with a distributor (as that term is defined for purposes of the D Rules) with respect to the distribution of Notes, except with its affiliates or with the prior written consent of the Issuer.

5. INTERPRETATION

Terms used in Paragraph 1, 2 and 3 above have the meanings given to them by Regulation S under the Securities Act. Terms used in Paragraph 4 above have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations thereunder, including the D Rules.

United Kingdom

The Manager represents and agrees that:

- (a) Financial promotion: it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (FSMA)) received by it in connection with the issuance or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) General compliance: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

As used herein, "**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland.

France

The Manager represents, warrants and agrees that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France within the meaning of article L.411-1 of the French Monetary and Financial Code (*Code Monétaire et Financier*), and that, it has not distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (A) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (B) qualified investors (*investisseurs qualifiés*) investing for their own account and/or (C) a restricted circle of investors (*cercle restreint d'investisseurs*) investing for their own account, as defined in and in accordance with articles L.411-1, L.411-2 and D.411-1 to D.411-4 of the French Monetary and Financial Code (*Code Monétaire et Financier*).

General

All applicable laws and regulations must be observed in any jurisdiction in which Notes may be offered, sold or delivered. The Manager has agreed that it will not offer, sell or deliver any of the Notes, directly or indirectly, or distribute this Prospectus or any other offering material relating to the Notes, in or from any jurisdiction except under circumstances that will to the best knowledge and belief of such Manager result in compliance with the applicable laws and regulations thereof and that will not impose any obligations on the Issuer except as set out in the Subscription Agreement.

USE OF PROCEEDS

The aggregate net proceeds from the issue of the Notes will amount to EUR 1,350,000,000. The net proceeds are equal to the gross proceeds and will be used by the Issuer to finance the purchase price for the acquisition of the Receivables and Related Collateral from the Seller on the Note Issuance Date. Concurrently with the Notes, the Issuer will be granted the Funding Loan and will use the proceeds from the Funding Loan to pay certain amounts payable on the Note Issuance Date under the Transaction Documents (including, without limitation, any fees, costs and expenses payable on the Note Issuance Date to the Manager and to other parties in connection with the offer and sale of the Notes) and certain other costs. To the extent that the net proceeds from the issue of the Notes exceed the purchase price for the acquisition of the Receivables, such difference will be credited to the Reserve Fund and will be part of the Available Distribution Amount as of the following Payment Date.

GENERAL INFORMATION

Subject of this Prospectus

This Prospectus relates to Class A Notes in an aggregate principal amount of EUR 1,205,000,000 and Class B Notes in an aggregate principal amount of EUR 145,000,000, in each case issued by SC Germany Consumer 2014-1 UG (haftungsbeschränkt), Frankfurt am Main, Germany.

Authorisation

The issue of the Notes was authorised by a resolution of the board of directors of the Issuer passed on the resolution date 12 March 2014.

Litigation

Neither the Issuer is, or has been since its incorporation, nor the Seller is, or has during its last fiscal year been, engaged in any governmental, litigation or arbitration proceedings which may have or have had during such period a significant effect on their respective financial position, and, as far as the Issuer and the Seller are aware, no such governmental, litigation or arbitration proceedings are pending or threatened, respectively.

Payment Information

In connection with the Notes, the Issuer will forward copies of notice to holders of listed securities in final form to the Luxembourg Stock Exchange.

Payments and transfers of the Notes will be settled through Clearstream Luxembourg and Euroclear, as described herein. The Notes have been accepted for clearing by Clearstream Luxembourg and Euroclear.

Material Adverse Change

There has been no material adverse change in the financial position or prospects of the Issuer since its incorporation.

Miscellaneous

No statutory or non-statutory accounts in respect of any fiscal year of the Issuer have been prepared other than as contained in this Prospectus. The Issuer will not publish interim accounts. The fiscal year in respect of the Issuer is the calendar year.

Luxembourg Listing

Application has been made to the Luxembourg Stock Exchange for the Notes to be listed to the official list of the Luxembourg Stock Exchange. The Issuer has appointed The Bank of New York Mellon (Luxembourg) S.A. as the initial listing agent for the Luxembourg Stock Exchange and as the initial Luxembourg Intermediary. The Luxembourg Intermediary will act intermediary between the Issuer and the holders of the Notes listed on the official list of the Luxembourg Stock Exchange. For as long as any of the Notes are listed on the official list of Luxembourg Stock Exchange, the Issuer will maintain a Luxembourg intermediary.

Copies of such documents may also be obtained free of charge during customary business hours at the specified offices of the Principal Paying Agent.

Publication of Documents

This Prospectus will be made available to the public by publication in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Websites

Any website mentioned in this document does not form part of the Prospectus.

Availability of Documents

From the date hereof as long as the Prospectus is valid and as long as the Notes remain outstanding, the following documents will be available for inspection in electronic form at the registered office of the Issuer and the Luxembourg Intermediary:

- (a) the articles of association (*Gesellschaftsvertrag*) of the Issuer;
- (b) the resolution of the managing directors of the Issuer approving the issue of the Notes;
- (c) the future annual financial statements of the Issuer (interim financial statements will not be prepared);
- (d) all notices given to the Noteholders pursuant to the Terms and Conditions;
- (e) this Prospectus, the Master Definitions Agreement and all other Transaction Documents referred to in this Prospectus;
- (f) Detailed Investor Report.

In addition, certain loan level data (on a no-name basis) is available for inspection, free of charge, at the registered office of the Servicer at Santander Consumer Bank AG, Santander-Platz 1, 41061 Mönchengladbach, Germany during customary business hours upon request. Such data may also be obtained, free of charge, upon request from the Seller in electronic form following the due execution of a non-disclosure agreement.

Post-issuance Reporting

Following the Note Issuance Date, the Principal Paying Agent will provide the Issuer, the Corporate Administrator, the Transaction Security Trustee and, on behalf of the Issuer, by means of notification in accordance with Condition 13 (*Form of Notices*) of the Terms and Conditions of the Notes, the Noteholders, and so long as any of the Notes are listed on the official list of the Luxembourg Stock Exchange, and admitted to trading on the regulated market of the Luxembourg Stock Exchange, with the following information, all in accordance with the Agency Agreement and the Terms and Conditions of the Notes:

- (a) with respect to each Payment Date, the Interest Amount pursuant to Condition 6.1 (*Interest Calculation*) of the Terms and Conditions;
- (b) with respect to each Payment Date, the amount of Interest Shortfall pursuant to Condition 6.4 (*Interest Shortfall*) of the Terms and Conditions, if any;
- (c) with respect to each Payment Date falling on a date after the expiration of the Replenishment Period, of the amount of the amount of principal on each Class A Note and each Class B Note pursuant to Condition 7 (*Redemption*) to be paid on such Payment Date;
- (d) with respect to each Payment Date falling on a date after the expiration of the Replenishment Period, of the Note Principal Amount of each Class A Note and each Class B Note and the Class A Principal Amount and the Class B Principal Amount as from such Payment Date; and
- (e) in the event the payments to be made on a Payment Date constitute the final payment with respect to Notes pursuant to Condition 7.4 (*Legal Maturity Date*), Condition 7.5 (*Early Redemption*) or Condition 7.6 (*Optional Redemption for Taxation Reasons*), of the fact that such is the final payment; and
- (f) of the occurrence of a Servicer Disruption Date as notified by the Calculation Agent.

In each case, such notification shall be made by the Principal Paying Agent on the Determination Date preceding the relevant Payment Date.

Conflict of Interest in Relation to the Issue

Save as disclosed in the part of "Risk Factors – The Notes – Conflicts of Interest" and "Subscription and Sale" there are no conflicts of interest in relation to the issue of the Notes.

Clearing Codes

Class A Notes

WKN: A11P8A
ISIN: XS1043161667
Common Code: 104316166

Class B Notes

WKN: A11P8B
ISIN: XS1043162046
Common Code: 104316204

SCHEDULE 1 DEFINITIONS

The following terms used in the Transaction Documents and the Prospectus shall have the meanings given to them below as determined in the Master Definitions Agreement, except so far as the context otherwise requires and subject to any contrary indication:

"1-M EURIBOR" shall mean the rate for deposits in euro for a period of one month which appears on Reuters 3000 page EURIBOR 01 (or such other page as may replace such page on that service for the purpose of displaying Brussels inter-bank offered rate quotations of major banks) as of 11:00 a.m. (Brussels time) on the relevant date;

"Account" shall mean any of the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account, the Purchase Shortfall Account and any other bank account specified as such by or on behalf of the Issuer or the Transaction Security Trustee in the future in addition to, or in replacement of, the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account in accordance with the Accounts Agreement and the Transaction Security Agreement (together, the **"Accounts"**);

"Account Bank" shall mean The Bank of New York Mellon, Frankfurt Branch, Messeturm, Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main, Germany, any successor thereof or any other person appointed as Account Bank in accordance with the Accounts Agreement and the Transaction Security Agreement from time to time as the bank with whom the Issuer holds the Accounts;

"Accounts Agreement" shall mean an accounts agreement dated 18 March 2014 entered into between the Issuer, the Account Bank, the Transaction Security Trustee and Cash Manager in relation to the Accounts;

"Account Bank Downgrade" shall mean the Account Bank Required Rating is not met anymore;

"Account Bank Required Rating" shall mean, with respect to the Account Bank, that (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of at least A2 (or its replacement) by S&P or, if S&P has not assigned any rating to the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank, the long-term, unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of at least BBB (or its replacement) by S&P, and (ii) the long-term, unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of at least BBB (or its replacement) by DBRS.

"Additional Receivable" shall mean any Purchased Receivable which is sold and assigned or purported to be assigned to the Issuer in accordance with the Receivables Purchase Agreement during the Replenishment Period;

"Adverse Claim" shall mean any ownership interest, lien, security interest, charge or encumbrance, or other right or claim in, over or on any person's assets or properties in favour of any other person;

"Agent Bank" shall mean the Principal Paying Agent;

"Agency Agreement" shall mean an agency agreement dated 18 March 2014 under which the Principal Paying Agent, the Calculation Agent and the Cash Manager are appointed with respect to any Notes;

"Aggregate Offered Receivables Purchase Price" shall mean the aggregate amount of the Purchase Prices to be paid on the Purchase Date for the Eligible Receivables offered to the Purchaser on such Offer Date;

"Aggregate Outstanding Note Principal Amount" shall mean, in respect of all Notes at any time, the aggregate of the Note Principal Amounts of all Notes;

"Aggregate Outstanding Principal Amount" shall mean, in respect of all Purchased Receivables at any time, the aggregate of the Outstanding Principal Amounts of all Purchased Receivables which, as of such time, are not Defaulted Receivables;

"Arranger" shall mean Raiffeisen Bank International AG, Am Stadtpark 9, 1030 Vienna, Austria, and any successor thereof or any other person;

"Assignable Related Collateral" shall mean any Related Collateral which is a German law governed claim (*Forderung*) and can be freely assigned in accordance with Section 398 German Civil Code (*Bürgerliches Gesetzbuch*) and is designated as a assignable related collateral in the offer file;

"Available Distribution Amount" shall mean, with respect to any Cut-Off Date and the Collection Period ending on such Cut-Off Date, an amount calculated by the Servicer pursuant to the Servicing Agreement as of such Cut-Off Date and notified to the Issuer, the Corporate Administrator, the Calculation Agent and the Transaction Security Trustee not later than on the fourth Business Day preceding the Payment Date following such Cut-Off Date (or, if the Servicer fails to calculate such amount, the amount calculated by the Calculation Agent with respect to such Cut-Off Date on the basis of the information available to the Calculation Agent at that time and notified to the Issuer, the Corporate Administrator, the Principal Paying Agent, the Calculation Agent and the Transaction Security Trustee not later than on the fourth Business Day preceding the Payment Date following such Cut-Off Date), as the sum of:

1. the amounts standing to the credit of the Reserve Fund as of such Cut-Off Date;
2. any Collections (including, for the avoidance of doubt, Deemed Collections paid by the Seller or (if different) the Servicer) received by the Seller or (if different) the Servicer during the Collection Period ending on such Cut-Off Date;
3. (i) (A) any stamp duty, registration and other similar taxes, (B) any taxes levied on the Issuer and any relevant parties involved in the financing of the Issuer due to the Issuer and such parties having entered into the Receivables Purchase Agreement, the other Transaction Documents or other agreements relating to the financing of the acquisition by the Issuer of the Purchased Receivables, (C) any liabilities, costs, claims and expenses which arise from the non-payment or the delayed payment of any taxes specified under (B) above, except for those penalties and interest charges which are attributable to the gross negligence of the Issuer, and (D) any additional amounts corresponding to sums which the Seller is required to deduct or withhold for or on account of tax with respect to all payments made by the Seller to the Issuer under the Receivables Purchase Agreement, in each case paid by the Seller pursuant to the Receivables Purchase Agreement, and (ii) any

- taxes, increased costs and other amounts paid by the Seller to the Issuer pursuant to the Receivables Purchase Agreement (other than any Transaction Cost Fee) and any taxes, increased costs and other amounts paid by the Servicer to the Issuer pursuant to the Servicing Agreement, in each case as collected during such Collection Period;
4. (i) (A) any default interest on unpaid sums due by the Seller to the Issuer and (B) indemnities against any loss or expense, including legal fees, incurred by the Issuer as a consequence of any default of the Seller, in each case paid by the Seller to the Issuer pursuant to the Receivables Purchase Agreement and (ii) any default interest and indemnities paid by the Servicer to the Issuer pursuant to the Servicing Agreement, in each case as collected during such Collection Period;
 5. any other amounts paid by the Seller to the Issuer under or with respect to the Receivables Purchase Agreement (other than any Transaction Cost Fee) or the Purchased Receivables or any Related Collateral and any other amounts paid by the Servicer to the Issuer under or with respect to the Servicing Agreement, the Purchased Receivables or any Related Collateral, in each case as collected during such Collection Period;
 6. any interest earned (if any) on any balance credit of the Transaction Account during such Collection Period;
 7. the amounts (if any) standing to the credit to the Commingling Reserve Account (excluding, for the avoidance of doubt, any interest earned on any balance credited to the Commingling Reserve Account), but only to the extent necessary for the fulfilment on the relevant Payment Date of the payment obligations of the Issuer under items *first to fourteenth* (inclusive) of the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Servicer under item *fifth* of the Pre-Enforcement Priority of Payments), provided, however, that such amounts shall only be included in the Available Distribution Amount if and to the extent that the Seller or (if different) the Servicer have, as of the relevant Payment Date, failed to transfer to the Issuer any Collections (other than Deemed Collections within the meaning of item (B) (i) of the definition of Deemed Collections) received or payable by the Seller or (if different) the Servicer during, or with respect to, the Collection Period ending on the Cut-Off Date immediately preceding the relevant Payment Date or if the appointment of the Servicer under the Servicing Agreement has been automatically terminated pursuant to the last paragraph of Cause 9.1 of the Servicing Agreement;
 8. the amounts (if any) standing to the credit of the Set-Off Reserve Account (excluding, for the avoidance of doubt, any interest earned on any balance credited to the Set-Off Reserve Account), but only to the extent necessary for the fulfilment on the relevant Payment Date of the payment obligations of the Issuer under items *first to fourteenth* (inclusive) of the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Servicer under item *fifth* of the Pre-Enforcement Priority of Payments), provided, however, that such amounts shall only be included in the Available Distribution Amount if and to the extent that (i) any amounts that would otherwise have to be transferred to the Issuer as Deemed Collections within the meaning of item (B) (i) of the definition of Deemed Collections for the Collection Period ending on the relevant Cut-Off Date were not re-

ceived by the Seller as a result of any of the actions described in item (B) (i) of the definition of Deemed Collections, and (ii) the Issuer does not have a right of set-off against the Seller or (if different) the Servicer with respect to such amounts on the relevant Payment Date;

9. the amounts (if any) standing to the credit of the Purchase Shortfall Account (including any interest earned thereon);
10. The amounts (if any) standing to the credit of the Transaction Account which would have been distributed as Available Distribution Amount on any Payment Date prior to such Cut-Off Date, but were not distributed due to such Payment Date falling on a Servicer Disruption Date or the prior occurrence of a Termination Event; and
11. Any amount (other than covered by (1) through (10) above) (if any) paid to the Issuer by any other party to any Transaction Document (other than the Funding Loan Agreement) within according to such Transaction Document is to be allocated to the Available Distribution Amount;

"Back-Up Servicer Trigger Event" shall have occurred if, at any time, (i) Santander Consumer Finance, S.A. ceases to hold directly or indirectly, 75 % of the Servicer's share capital or voting rights or (ii) the long-term unsecured, unsubordinated and unguaranteed obligations of Santander Consumer Finance, S.A. cease to be assigned a rating of at least BBB (low) (or its replacement) by DBRS or, the long-term unsecured, unsubordinated and unguaranteed obligations of the Servicer cease to be assigned a rating of at least BBB (low) (or its replacement) by DBRS;

"Beneficiary" shall mean the Manager, the Noteholders, the Principal Paying Agent, the Calculation Agent, the Cash Manager, the Account Bank, the Corporate Administrator, the Transaction Security Trustee, the Data Trustee, the Seller, the Servicer (if different), the Subordinated Loan Provider, the Purchaser and any other party acceding to the Transaction Security Agreement as replacement Beneficiary pursuant to Clause 40 (*Accession of Replacement Beneficiaries*) of the Transaction Security Agreement and any successor, assignee, transferee or replacement thereof;

"Business Day" shall mean any day

- (i) on which commercial banks and foreign exchange markets are open or required to be open for business in London (United Kingdom), Frankfurt am Main (Germany), Vienna (Austria), Madrid (Spain) and Luxembourg; and
- (ii) which is a TARGET Day;

"Calculation Agent" shall mean The Bank of New York Mellon, London Branch, One Canada Square, London E14 5AL, United Kingdom, and any successor or replacement calculation agent appointed from time to time in accordance with the Agency Agreement;

"Cash Manager" shall mean The Bank of New York Mellon, London Branch, One Canada Square, London E14 5AL, United Kingdom, and any successor or replacement cash manager appointed from time to time in accordance with the Agency Agreement;

"Class A Noteholder" shall mean a holder of Class A Notes;

"Class A Notes" shall mean Class A Fixed Rate Notes due on the Payment Date falling in February 2028 which are issued in an initial aggregate principal amount of EUR 1,205,000,000 and divided into 12,050 Notes, each having a principal amount of EUR 100,000;

"Class A Notes Interest" shall mean the aggregate interest amount (including any Interest Shortfall) payable in respect of all Class A Notes on any date and in accordance with the Terms and Conditions of the Notes;

"Class A Notes Principal" shall mean the aggregate principal amount payable in respect of all Class A Notes on any date and in accordance with the Terms and Conditions of the Notes;

"Class A Principal Amount" shall mean, as of any date, the sum of the Note Principal Amounts of all Class A Notes;

"Class A Target Principal Amount" shall mean,

- (A) as of any Payment Date which does not fall on a Servicer Disruption Date, (a) if a Principal Deficiency Trigger Event does not occur, the excess (if any) of (i) the Aggregate Outstanding Principal Amount (as calculated by the Servicer) as of the Cut-Off Date immediately preceding such Payment Date over (ii) the Class B Principal Amount outstanding as of the Cut-Off Date immediately preceding such Payment Date, as calculated by the Calculation Agent or (b) in case a Principal Deficiency Trigger Event has occurred as of such Payment Date, zero;
- (B) as of any Payment Date falling on a Servicer Disruption Date, an amount equal to the Class A Principal Amount outstanding as of the Cut-Off Date immediately preceding such Payment Date, as calculated by the Calculation Agent;

"Class B Noteholder" shall mean a holder of Class B Notes;

"Class B Notes" shall mean Class B Fixed Rate Notes due on the Payment Date falling in February 2028 which are issued in an initial aggregate principal amount of EUR 145,000,000 and divided into 1,450 Notes, each having a principal amount of EUR 100,000;

"Class B Notes Interest" shall mean the aggregate interest amount (including any Interest Shortfall) payable in respect of all Class B Notes on any date and in accordance with the Terms and Conditions of the Notes;

"Class B Notes Principal" shall mean the aggregate principal amount payable in respect of all Class B Notes on any date and in accordance with the Terms and Conditions of the Notes;

"Class B Principal Amount" shall mean, as of any date, the sum of the Note Principal Amounts of all Class B Notes;

"Class B Target Principal Amount" shall mean,

- (A) as of any Payment Date falling on or after the date on which all Class A Notes have been redeemed in full, but not falling on a Servicer Disruption Date, (a) if a Principal Deficiency Trigger Event does not occur, the Aggregate Outstanding Principal Amount (as calculated by the Servicer) as of the Cut-Off Date immediately preceding such Payment Date or (b) if a Principal Deficiency Trigger Event occurs, zero; or

(B) as of any Payment Date falling on or after the date on which all Class A Notes have been redeemed in full and falling on a Servicer Disruption Date, the Class B Principal Amount outstanding as of the Cut-Off Date immediately preceding such Payment Date, as calculated by the Calculation Agent;

"Class Principal Amount" shall mean each of the Class A Principal Amount and, the Class B Principal Amount;

"Closing Date" shall mean 20 March 2014;

"Collateral" shall mean the first ranking security interests granted to the Transaction Security Trustee for the benefit of the Noteholders and other Beneficiaries in respect of (i) the Issuer's claims under the Purchased Receivables and the Assignable Related Collateral acquired by the Issuer pursuant to the Receivables Purchase Agreement, (ii) the Issuer's claims under certain Transaction Documents and (iii) the rights of the Issuer under the Transaction Account, all of which have been assigned and transferred by way of security or pledged to the Transaction Security Trustee pursuant to the Transaction Security Agreement;

"Collection Period" shall mean, in relation to any Cut-Off Date, the period commencing on (but excluding) the Cut-Off Date immediately preceding such Cut-Off Date and ending on (and including) such Cut-Off Date and with respect to the first Payment Date the Collection Period commenced on 28 February 2014 (including such date) and ends on 31 March 2014 (including such date);

"Collections" shall mean, with respect to any Purchased Receivable and any Related Collateral, all cash collections, interest, late payment or similar charges and other cash proceeds of such Purchased Receivable or other amounts received or recovered in respect thereof, including, without limitation, all proceeds from insurance policies covering residual debt, all cash proceeds of any Related Collateral to the extent it secures the Purchase Receivable, any proceeds from the sale of Defaulted Receivables (together with the relevant Related Collateral) received by the Servicer on behalf of the Issuer from any third party and any participation in extraordinary profits (*Mehrerlösbeitragungen*) after realisation of the Related Collateral to which the Issuer is entitled under the relevant Loan Contract, in each case which is irrevocable and final (*provided that* any direct debit (*Lastschriftinzug*) shall constitute a Collection irrespective of any subsequent valid return thereof (*Lastschriftückbelastung*)), and any Deemed Collections of such Purchased Receivable less any amount previously received but required to be repaid on account of a valid return of a direct debit (*Lastschriftückbelastung*), *provided that*, for the avoidance of doubt, any Collection which is less than the amount then outstanding and due from the relevant Debtor shall be applied in accordance with Sections 366 et seqq. of the German Civil Code (*Bürgerliches Gesetzbuch*);

"Commingling Required Rating" shall mean, with respect to any entity, that the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB (or its replacement) by DBRS and BBB (or its replacement) by S&P and any such rating has not been withdrawn;

"Commingling Reserve" shall mean if, at any time as long as the Seller is the Servicer, a Commingling Reserve Trigger Event occurs, the Seller will be required, within 30 Business Days, to transfer the Commingling Reserve Amount to the Commingling Reserve Account;

"Commingling Reserve Account" shall mean the bank account with the account number 747 483 9711, IBAN DE32503303007474839711 and SWIFT address IRVTDEFX held in the name of the Issuer at the Account Bank, as well as any other bank accounts specified as such by or on behalf of the Issuer or the Transaction Security Trustee in the future in addition to or as substitute for such Commingling Reserve Account in accordance with the Accounts Agreement and the Transaction Security Agreement to which the Seller will transfer the Commingling Reserve Amount following the occurrence of a Commingling Reserve Trigger Event;

"Commingling Reserve Amount" shall mean, (a) as of any Cut-Off Date following the occurrence of a Commingling Reserve Trigger Event, an amount equal to the sum of (i) the amount of the Scheduled Collections for the period from the beginning of the Collection Period immediately following the relevant Cut-Off Date to the last Business Day of the second Collection Period after the relevant Cut-Off Date (both inclusive) and (ii) 2% of the Aggregate Outstanding Note Principal Amount as of the relevant Cut-Off Date or (b) if as of any Cut-Off Date no Commingling Reserve Trigger Event has occurred, zero;

"Commingling Reserve Excess Amount" shall mean, as of any Payment Date, the excess of the amounts standing to the credit of the Commingling Reserve Account over the Commingling Reserve Amount, on the Cut-Off Date immediately preceding such Payment Date, after a drawing (if any) in accordance with item 7 of the definition of Available Distribution Amount;

"Commingling Reserve Trigger Event" shall have occurred if, at any time, (i) Santander Consumer Finance, S.A. ceases to have the Commingling Required Rating or (ii) Santander Consumer Finance, S.A. ceases to own, directly or indirectly, at least 75 % of the share capital of the Seller, unless in each case (i) and (ii), the Seller has at least the Commingling Required Rating;

"Corporate Administrator" shall mean SFM Structured Finance Management (Deutschland) GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany, as administrator or any successor thereof or any other person appointed as replacement corporate administrator from time to time in accordance with the Corporate Administration Agreement;

"Corporate Administration Agreement" shall mean a corporate administration agreement dated 18 March 2014 and entered into between the Corporate Administrator and the Issuer;

"CRD" shall mean the Directive 2006/48/EC (as amended from time to time);

"Credit" shall have the meaning ascribed to such term in the Transaction Security Agreement;

"Credit and Collection Policy" shall mean the credit and collection policies and practices as applied by the Seller with respect to the Purchased Receivables and as set out in Credit and Collection Policy to the Receivables Purchase Agreement (for the avoidance of doubt, the definition does not refer to the general credit and collection policy of the Seller as amended from time to time);

"CRR" shall mean Regulation (EU) No. 648/2012 (as amended from time to time);

"Cumulative Loss Ratio" shall mean, in respect of each Collection Period, the ratio (expressed as a percentage) of (A) the sum of (i) the Aggregate Outstanding Principal Amount of all Purchased Receivables which have become Defaulted Receivables during such Collection Period (net of recoveries) as determined in the Detailed Investor Report relating to such Collection Period (and

set out under the item "Current Period Net Default" therein) and (ii) the aggregate principal amount (at the time of default) of all Purchased Receivables which became Defaulted Receivables prior to such Collection Period (net of recoveries and as set out in the Detailed Investor Report relating to the immediately previous Collection Period under the item "Cumulative Net Default") divided by (B) the sum of (x) the Aggregate Outstanding Principal Amount as at the end of such Collection Period (including for the avoidance of doubt the Outstanding Principal Amount of all Additional Receivables purchased by the Issuer during the relevant Collection Period) as determined in the Detailed Investor Report relating to such Collection Period and (y) the aggregate original principal amount of all Purchased Receivables which were repaid by the respective Debtors since the Note Issuance Date;

"Cut-Off Date" shall mean the last day of each calendar month, and the first Cut-Off Date was 28 February 2014 and the Cut-Off Date with respect to each Payment Date thereafter is the Cut-Off Date immediately preceding such Payment Date;

"Data Trustee" shall mean SFM Structured Finance Management (Deutschland) GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany and any successor thereof or any other person appointed as Data Trustee from time to time in accordance with the Data Trust Agreement;

"Data Trust Agreement" shall mean the data trust agreement dated 18 March 2014 and entered into between the Issuer, the Data Trustee, the Seller and the Transaction Security Trustee;

"DBRS" means DBRS Ratings Limited (Attn: Keith Gorman, 1 Minster Court, 10th Floor Mincing Lane, London EC3R 7AA, United Kingdom, Email: EU.ABC.Surveillance@dbrs.com or such other contact details as may be notified by DBRS to the Issuer from time to time), or any successor to its rating business;

"Debtor" shall mean each of the persons obliged to make payments under a Loan Contract (together, the **"Debtors"**);

"Deemed Collection" shall mean an amount equal to the sum of (A) the Outstanding Principal Amount of the affected portion of any Purchased Receivable if (i) such Purchased Receivable becomes a Disputed Receivable (irrespective of any subsequent court determination in respect thereof), (ii) the relevant Loan Contract proves not to have been legally valid, binding, enforceable and assignable as of the relevant Purchase Date, (iii) the Related Collateral contemplated in the relevant Loan Contract proves not to have existed as of the relevant Purchase Date, (iv) the Issuer proves not to have acquired, upon the payment of the purchase price for such Purchased Receivable on the relevant Purchase Date, title to such Purchased Receivable and to the Related Collateral contemplated in the relevant Loan Contract free and clear of any Adverse Claim, (v) such Purchased Receivable proves not to have been an Eligible Receivable on the relevant Purchase Date, (vi) such Purchased Receivable or Related Collateral contemplated in the relevant Loan Contract is deferred (other than in accordance with the Servicing Agreement or the Credit and Collection Policy, or with the prior approval of the Issuer), redeemed or otherwise modified (other than in accordance with the Servicing Agreement) (in each case other than an early termination of the relevant Loan Contract in accordance with the Credit and Collection Policy prior to the expiry date of the relevant Loan Contract as scheduled therein) or (vii) such Purchased Receivable or the relevant Related Collateral contemplated in the relevant Loan Contract otherwise did not exist in whole or partly prior to its sale and assignment to the Issuer or ceases to exist for

any reason, including, but without limitation, the legally effective revocation (*Widerruf*) of the Loan Contract by the Debtor (but in any event other than by payment to the Servicer or the Issuer or because of a breach by the relevant Debtor of its payment obligations under the Loan Contract) and (B) any reduction of the Outstanding Principal Amount of any Purchased Receivable or any other amount owed by a Debtor due to (i) any set-off against the Seller due to a counterclaim of the Debtor or any set-off or equivalent action against the relevant Debtor by the Seller or (ii) any discount or other credit in favour of the Debtor, in each case as of the date of such reduction for such Purchased Receivable;

"Defaulted Receivable" shall mean, as of any date, any Purchased Receivable (which is not a Disputed Receivable) which has been declared due and payable in full (*insgesamt fällig gestellt*);

"Delinquent Receivable" shall mean, as of any date, any Purchased Receivable (which is overdue, and not a Disputed Receivable or a Defaulted Receivable) which is included in any overdue bucket of at least 31 (thirty one) days in the Monthly Report for the Collection Period ending on or immediately preceding such date or in respect of which the Seller considers that a Purchased Receivable has been originated under a non-performing Loan Contract (which is, for the avoidance of doubt, a Loan Contract where payment of interest or principal is past due by 90 or more days and the obligor is in default, as defined in point 44 of Annex VII to Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions, or when there are good reasons to doubt that payment will be made in full);

"Detailed Investor Report" shall mean the detailed investor report in the form as set out in Schedule 1, Part B to the Servicing Agreement, or in a form as otherwise agreed between the Servicer, the Seller and the Issuer, which shall be prepared by the Servicer with respect to each Collection Period;

"Determination Date" shall mean the second Business Day immediately preceding the commencement of such Interest Period unless such date is not a Business Day in which case the Determination Date shall be the next succeeding Business Day unless such date would thereby fall into the next calendar month, in which case such date shall be the immediately preceding Business Day;

"Disputed Receivable" shall mean any Purchased Receivable in respect of which payment is not made and disputed by the Debtor (other than where the Servicer has given written notice, specifying the relevant facts, to the Issuer that, in its reasonable opinion, such dispute is made because of the inability (*Bonitätsrisiko*) of the relevant Debtor to pay), whether by reason of any matter concerning the Related Collateral or by reason of any other matter or in respect of which a set-off or counterclaim is being claimed by such Debtor;

"Early Amortisation Event" shall mean the occurrence of any of the following events during the first 36 months after the Note Issuance Date:

- (a) the Cumulative Loss Ratio exceeds:
 - (i) 1.80% as of any Cut-Off Date prior to or on 31 March 2015;
 - (ii) 3.60% as of any Cut-Off Date prior to or on 31 March 2016; and

- (iii) 5.20 % as of any Cut-Off Date prior to or on 31 March 2017;
- (b) on three consecutive Cut-Off Dates, the amount standing to the credit of the Purchase Shortfall Account is higher than 15% of the initial aggregate Note Principal Amount of all Notes (such event a "**Purchase Shortfall Event**");
- (c) as of any Payment Date, the initial Note Principal Amount of all Notes would, after the application of the Available Distribution Amount in accordance with the Pre-Enforcement Priority of Payments, exceed the sum of (i) the Aggregate Outstanding Principal Amount of all Purchased Receivables as of such Payment Date (including the Principal Amount of the Additional Receivables to be purchased on such Payment Date) and (ii) the amount standing to the credit of the Purchase Shortfall Account as of such Payment Date;
- (d) a Termination Event or a Servicer Termination Event; or
- (e) the Seller has delivered a notice to the Issuer notifying the Issuer of its intention to end the Replenishment Period at least thirty (30) calendar days prior to the contemplated early amortisation date which shall be a Payment Date (such Payment Date or, if applicable the Payment Date notified in such notice, the "**Replenishment Termination Date**"), the "**Replenishment Termination Option**",

provided that in the case of (a) above with respect to any Cut-Off Date following the date as of which the Early Amortisation Event occurred, no Early Amortisation Event shall be deemed to have occurred if, by the Payment Date immediately following the date as of which the Early Amortisation Event occurred, the Rating Agencies have confirmed that the occurrence of the relevant Early Amortisation Event will not result in a downgrading, qualification or withdrawal of their rating assigned to any of the Class A Notes;

"**Early Redemption Date**" has the meaning ascribed to such term in Condition 7.5 (*Early Redemption*) of the Terms and Conditions of the Notes;

"**Effective Interest Rate**" shall mean the actual interest rate to be paid by the relevant Debtors under the relevant Loan Contracts with respect to the Outstanding Principal Amount as of the Cut-Off Date immediately preceding the relevant Purchase Date;

"**Eligibility Criteria**" shall mean the criteria set out for a receivable to become an Eligible Receivable as set out in Schedule 2 to the Receivables Purchase Agreement;

"**Eligible Receivable**" shall mean any Receivable (or any part of it or the pool of Receivables, as applicable) which meets the following conditions:

1. The Receivable
 - (i) was originated in the ordinary course of business of the Seller in accordance with the Credit and Collection Policy of the Seller under a Loan Contract with defined instalment amounts (*Ratenkreditvertrag*) which shall become due for payment on a monthly basis and is based on the applicable general terms and conditions of business of the Seller and on the standard loan templates which are compliant with German law;
 - (ii) was originated after 10 June 2010;

- (iii) is denominated and payable in euro;
 - (iv) the Loan Contract under which it arises has not been terminated;
 - (v) the loan facility under the relevant Loan Contract has been fully drawn by the relevant Debtor;
 - (vi) the Loan Contract under which it arises has a minimum remaining term of 1 (one) month, and its original term is not greater than 98 (ninety-eight) months;
 - (vii) is not a profit participating loan (*partiarisches Darlehen*) and has a fixed interest rate and is fully amortising through payment of constant monthly instalments (except for the first instalment or the final instalment payable under the relevant Loan Contract which may differ from the monthly instalments payable for subsequent or previous months); and
 - (viii) is not secured by German real estate or ships which are registered with a German ship register.
2. On the relevant Purchase Date, the weighted average interest rate of all Purchased Receivables (including the Receivable and any other Receivable to be purchased on the same Purchase Date) is at least equal to 7.25% per annum.
 3. On the relevant Purchase Date, the weighted average remaining term of the Loan Contracts relating to all Purchased Receivables (including the Receivable and any other Receivable to be purchased on the same Purchase Date) does not exceed seventy-two and a half (72.5) months.
 4. The Receivable exists and constitutes legally valid, binding and enforceable obligations of the respective Debtor and is not subject to any executed right of revocation (*ausgeübter Widerruf*), set-off or counter-claim (other than potential set-off rights and counter-claims resulting from Seller Deposits held by the relevant Debtor) or warranty claims of the Debtors and no other right of objection, irrespective of whether the Purchaser knew or could have known of the existence of objections, defences or counter-rights.
 5. The Receivable may be segregated and identified at any time for purposes of ownership and Related Collateral in the electronic files of the Seller and such electronic files and the relating software is able to provide the information to be included in the offer with respect to such Receivables and Related Collateral pursuant to the Receivables Purchase Agreement.
 6. The Seller has fully complied with any applicable consumer legislation, in particular
 - (i) those Sections of the German Civil Code (*Bürgerliches Gesetzbuch*) and the Regulation on Information Duties of 5 August 2002, as amended (collectively, the "**Distance Marketing Provisions**"), which relate to distance marketing of consumer financial services (*Fernabsatzverträgen bei Finanzdienstleistungen*) and
 - (ii) those provisions of the German civil law which relate to consumer credit contracts (*Verbraucherdarlehensverträge*) effective as of 11 June 2010 (implementation of the European Consumer Loan Directive into German law),

and the 2 weeks revocation period (*zweiwöchige Widerrufsfrist*, Section 355 (1) of the German Civil Code – *Bürgerliches Gesetzbuch*) has lapsed with respect to each Loan Contract.

7. The Receivable is not, as of the relevant Purchase Date (with respect to any Loan Instalment under the relevant Loan Contract), a Delinquent Receivable (and for the avoidance of doubt it is hereby agreed that any return of any amounts received by the Seller or the Servicer by way of direct debit (*Lastschrift*) to the relevant Debtor or intermediary credit institution because of a return of such direct debit (*Rücklastschrift*) shall not render the relevant Receivable to be an ineligible Receivable *ab initio* if, but only if, such Debtor has objected (*widersprechen*) to such direct debit within six weeks of such debit), Defaulted Receivable or Disputed Receivable, and in particular the Debtor has not yet terminated or threatened to terminate the relevant Loan Contract, in each of the foregoing cases with respect to any Loan Instalment under the relevant Loan Contract and it is payable by a Debtor which is not the Debtor of any Defaulted Receivable. No breach of any obligation under any agreement (except for the obligation to pay) of any party exists with respect to the Receivable, the Seller has fully complied with its obligations under the Loan Contract.
8. The Receivable is a claim which can be transferred by way of assignment without the consent of the related Debtor and which shall be validly transferred, together with the Related Collateral, to the Purchaser in the manner contemplated by the Receivables Purchase Agreement.
9. The Receivable is a Receivable (including any part thereof and the Related Collateral) to which the Seller is fully entitled, free of any rights of any third party, over which the Seller may freely dispose and in respect of which the Purchaser will, upon acceptance of the Offer for the purchase of such Receivable as contemplated in the Receivables Purchase Agreement, acquire the title unencumbered by any counterclaim, set-off right, other objection and Adverse Claims (other than those of the Debtor under the related Loan Contract); in particular, such Receivable (and the Related Collateral) has not been assigned to any third party for refinancing and has been documented in a set of documents which designates the acquisition costs thereof, the related Debtor, the Loan Instalments, the applicable interest rate, the initial due dates and the term of the Loan Contract.
10. The Receivable which does not already meet the criteria under 4, above, has been created in compliance with all applicable laws, rules and regulations (in particular with respect to consumer protection and data protection) and all required consents, approvals and authorisations have been obtained in respect thereof and neither the Seller nor the Debtor are in violation of any such law, rule or regulation.
11. The Receivable is subject to German law.
12. The assignment of the Receivable does not violate any law or agreements (in particular with respect to consumer protection and data protection) to which the Seller is bound. Following the assignment of the Receivable and Related Collateral, such Receivable and the Related Collateral shall not be available to the creditors of the Seller on the occasion of any insolvency of the Seller.

13. At least 2 (two) due Loan Instalments have been fully paid for the Receivable prior to the respective Purchase Date.
14. The Receivable together with any other Receivables to be purchased on the same Purchase Date and (as relevant) all Purchased Receivables does not exceed the Concentration Limit on the Purchase Date on which it is purchased. "**Concentration Limit**" shall mean that the sum of the Outstanding Principal Amount of the Receivable and the Aggregate Outstanding Principal Amount of any other Receivable to be purchased on the same Purchase Date and all Purchased Receivables owed by the Debtor owing the Receivable does not exceed EUR 150,000 on the relevant Purchase Date.
15. The Receivable is due from a Debtor who is either a private individual resident in Germany or a self-employed individual resident in Germany.
16. The Receivable is due from a Debtor who is not insolvent or bankrupt (*zahlungsunfähig*, including imminent inability to pay its debts (*drohende Zahlungsunfähigkeit*)) or over-indebted (*überschuldet*) and against whom no proceedings for the commencement of insolvency proceedings are pending in any jurisdiction.
17. The Receivable is not due from a Debtor who is an employee, officer or an Affiliate to the Seller. "**Affiliate**" shall mean any related enterprise and in particular any affiliated enterprise (*verbundenen Unternehmen*) within the meaning of Section 15 of the German Stock Corporation Act (*Aktiengesetz*).
18. The Receivable does not arise under a Loan Contract which constitutes a balloon loan. A "**balloon loan**" is a loan where the final payment due is higher than any of the previous loan instalments payable by the relevant Debtor.

"**Excess Portion**" shall mean, as of the Cut-Off Date immediately preceding any Offer Date, the portion by which the Outstanding Principal Amount of any Receivable offered by the Seller to the Purchaser on such Offer Date would, together with (i) the Aggregate Outstanding Principal Amount of all other Receivables offered by the Seller to the Purchaser on such Offer Date and (ii) the Aggregate Outstanding Principal Amount of all Purchased Receivables as of the Cut-Off Date immediately preceding such Offer Date, exceed the Maximum Purchase Amount;

"**Funding Loan**" shall mean the loan granted to the Issuer by the Funding Loan Provider under the Funding Loan Agreement;

"**Funding Loan Agreement**" shall mean the loan agreement dated 18 March 2014 between the Issuer and the Funding Loan Provider;

"**Funding Loan Provider**" shall mean Santander Consumer Finance, S.A., a company established under the laws of Spain with its office at Ciudad Grupo Santander, Avenida de Cantabria s/n, Edificio Dehesa 2a Planta, 28660 Boadilla del Monte, Madrid, Spain, or any successor or assignee thereof;

"**ICSD**" shall mean each of the operators of the Euroclear System and Clearstream Banking, société anonyme;

"**Interest Period**" shall mean, with respect to the Notes, as applicable, the period commencing on (and including) any Payment Date and ending on (but excluding) the immediately following Pay-

ment Date, and the first Interest Period under the Notes shall commence on (and include) the Note Issuance Date and shall end on (but exclude) the first Payment Date;

"Interest Shortfall" shall mean, with respect to any Note, accrued interest not paid on any Payment Date related to the Interest Period in which it accrued;

"Issuer" shall mean SC Germany Consumer 2014-1 UG (haftungsbeschränkt), an entrepreneurial company with limited liability (*Unternehmergeellschaft (haftungsbeschränkt)*) registered with the commercial register of the local court (*Amtsgericht*) in Frankfurt am Main under registration number HRB 98665 which has its offices at c/o SFM Structured Finance Management (Deutschland) GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany;

"Issuer Event of Default" shall occur when:

- (i) the Issuer becomes insolvent or the Issuer is wound up (except for a voluntary winding-up by its shareholders) or an order is made or an effective resolution is passed for the winding-up of the Issuer or the Issuer initiates or consents or otherwise becomes subject to liquidation, examinership, insolvency, reorganisation or similar proceedings under any applicable law, which affect or prejudice the performance of its obligations under the Notes or the other Transaction Documents, and are not, in the opinion of the Transaction Security Trustee, being disputed in good faith with a reasonable prospect of discontinuing or discharging the same, or such proceedings are not instituted for lack of assets;
- (ii) the Issuer defaults in the payment of any interest or principal due and payable in respect of any Note or in the due payment or performance of any other Transaction Secured Obligation (as such term is defined in Clause 7 (*Security Purpose*) of the Transaction Security Agreement), other than those mentioned under items *fourteenth* to *sixteenth* of the Pre-Enforcement Priority of Payments, in each case, to the extent that the Available Distribution Amount as of the Cut-Off Date immediately preceding the relevant Payment Date would have been sufficient to pay such amounts, and such default continues for a period of at least five Business Days;
- (iii) a distress, execution, attachment or other legal process is levied or enforced upon or sued out against all or any substantial part of the assets of the Issuer and is not discharged or does not otherwise cease to apply within 30 (thirty) calendar days of being levied, enforced or sued out or legal proceedings are commenced for any of the aforesaid, or the Issuer makes a conveyance or assignment for the benefit of its creditors generally; or
- (iv) the Transaction Security Trustee ceases to have a valid and enforceable security interest in any of the Collateral or any other security interest created under any Transaction Security Document.

"Legal Maturity Date" means the Payment Date falling in February 2028.

"Listing" shall mean to make or cause to be made an application by the Listing Agent on its behalf for the Notes to be admitted to the official list and trading on the regulated market of the Stock Exchange;

"Listing Agent" shall mean The Bank of New York Mellon (Luxembourg) S.A., Vertigo Building-Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg;

"**Loan Contract**" shall mean any general purpose loan consumer contract (*Barkredite*) entered into between the Seller and any Debtor.

"**Loan Instalment**" shall mean any obligation of a Debtor under a Loan Contract to pay principal, interest, fees, costs, prepayment penalties (if any) and default interest owed under any relevant Loan Contract or any Related Collateral relating thereto;

"**Luxembourg Intermediary**" shall mean The Bank of New York Mellon (Luxembourg) S.A., Vertigo Building-Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg;

"**Manager**" shall mean RBI AG;

"**Master Definitions Agreement**" shall mean a master definitions agreement dated 18 March 2014 and made between, the Issuer, the Manager, the Principal Paying Agent, the Calculation Agent, the Cash Manager, the Corporate Administrator, the Account Bank, the Data Trustee, the Seller, the Servicer, the Subordinated Loan Provider, the Funding Loan Provider and the Transaction Security Trustee;

"**Maximum Purchase Amount**" shall mean EUR 1,350,000,000;

"**Monthly Report**" shall mean any monthly report in the form (based on a Microsoft-Office template) as set out in Schedule 1 Part A to the Servicing Agreement or otherwise agreed between the Seller, the Servicer (if different) and the Issuer, which shall be prepared by the Servicer with respect to each Collection Period and delivered to the Issuer with a copy to the Corporate Administrator and the Calculation Agent not later than close of business on the second business day after the Cut-Off Date on which the relevant Collection Period ends; in the case that the Servicer does not provide a Monthly Report, the Monthly Report shall be the last issued Monthly Report which shall be used by the Calculation Agent and Principal Paying Agent to fulfill the respective duties under the Agency Agreement;

"**Non-Assignable Related Collateral**" shall mean any related collateral which is not an Assignable Related Collateral;

"**Note Issuance Date**" shall mean the date on which the Notes are issued by the Issuer on 20 March 2014 or on such later date as the Issuer and the Manager may agree and is notified by the Issuer to the Seller;

"**Note(s)**" shall mean any of the Class A Notes and the Class B Notes;

"**Noteholder**" shall mean any holder of Notes;

"**Note Principal Amount**" of any Note as of any date shall equal the initial note principal amount of EUR 100,000 as reduced by all amounts paid prior to such date on such Note in respect of principal;

"**Notification Event**" shall mean any of the following events:

1. The Servicer fails to make a payment due under or with respect to the Servicing Agreement at the latest on the second (2nd) Business Day after its due date, or, in the event no due date has been determined, within three (3) Business Days after the demand for payment.

2. The Servicer fails within five (5) Business Days to perform its material obligations (other than those referred to in paragraph 1 above) owed to the Purchaser under or with respect to the Servicing Agreement.
3. Either the Seller or the Servicer is over-indebted (*überschuldet*), unable to pay its debts when they fall due (*zahlungsunfähig*) or such status is imminent (*drohende Zahlungsunfähigkeit*) or intends to commence insolvency (including preliminary insolvency proceedings) or reorganisation proceedings or is subject to insolvency (including preliminary insolvency proceedings), dissolution proceedings or any measure taken by the BaFin pursuant to Sections 45, 46, 46b of the German Banking Act (*Gesetz über das Kreditwesen*), and the Seller or (as relevant) the Servicer fails to remedy such status within twenty (20) Business Days.
4. Either of the Seller or the Servicer is in breach of any of the covenants in relation to, *inter alia*, financial reporting, conduct of business, compliance with laws, rules, regulations, judgements, furnishing of information and inspection and keeping of records, the Credit and Collection Policy, tax, software and banking licences, prolongation or supplementation of Purchased Receivables, change of business policy, sales and liens as set out in this Agreement or any of the covenants set out in the Servicing Agreement.
5. A Servicer Termination Event has occurred.

"**Offer**" shall mean any offer pursuant to Clause 2 of the Receivables Purchase Agreement;

"**Offer Date**" shall mean the 2nd Business Day prior to the relevant succeeding Purchase Date, and the first Offer Date is 20 March 2014;

"**Outstanding Principal Amount**" shall mean, with respect to any Purchased Receivable, at any time, the Principal Amount of such Purchased Receivable less the amount of the principal portion of the Collection received by the Issuer and applied to the Principal Amount of such Purchased Receivable in accordance with the Loan Contract, *provided that* Collections shall not be treated as received by the Issuer until credited to the Transaction Account;

"**Outstanding Principal Amount Shortfall**" shall mean, as of any date, the amount by which the initial Note Principal Amount of all Notes exceeds the Outstanding Principal Amount of all Purchased Receivables which have been purchased by the Purchaser prior to or on the relevant date;

"**Payment Date**" shall mean any day which falls on the eleventh day of any calendar month, unless such date is not a Business Day in which case the Payment Date shall be the next succeeding Business Day unless such date would thereby fall into the next calendar month, in which case such date shall be the immediately preceding Business Day, commencing on 11 April 2014;

"**Portfolio**" shall mean the portfolio of Purchased Receivables, only partially secured by security interests in the Related Collateral;

"Post-Enforcement Priority of Payments" shall mean the post-enforcement priority of payments set out in Clause 23.2 (*Post-Enforcement Priority of Payments*) of the Transaction Security Agreement;

"Pre-Enforcement Priority of Payments" shall mean the pre-enforcement priority of payments set out in Schedule 5 to the Receivables Purchase Agreement (*Pre-Enforcement Priority of Payments*);

"Principal Amount" shall mean, with respect to any Receivable, the aggregate principal amount of such Receivable which is scheduled to become due after the Cut-Off Date immediately preceding the relevant Purchase Date;

"Principal Deficiency Trigger Event" shall have occurred if, as of any Payment Date (other than a Servicer Disruption Date), the Aggregate Outstanding Note Principal Amount as of such Payment Date would, on such Payment Date having given effect to the application of the Available Distribution Amount in accordance with the Pre-Enforcement Priority of Payments if a Principal Deficiency Trigger Event were not to occur on such date, exceed the sum of (i) the Aggregate Outstanding Principal Amount of the Purchased Receivables (including the Principal Amount of the Additional Receivables to be purchased on such Payment Date) plus (ii) the amount standing to the credit of the Purchase Shortfall Account, as of such Payment Date by at least EUR 2,500,000;

"Principal Paying Agent" shall mean The Bank of New York Mellon, London Branch, One Canada Square, London E14 5AL, United Kingdom, and any successor or replacement principal paying agent appointed from time to time in accordance with the Agency Agreement;

"Prospectus" shall mean any prospectus to be issued by the Issuer with respect to the issue of Notes dated on or about 18 March 2014;

"Purchase" shall mean any purchase of any Receivable pursuant to the Receivables Purchase Agreement;

"Purchase Date" shall mean, with respect to the purchase of the Receivables together with the Related Collateral by the Issuer from the Seller under the Receivables Purchase Agreement, the Note Issuance Date and each Payment Date thereafter which falls into the Replenishment Period;

"Purchase Price" shall have the meaning given to it in Clause 4.1 of the Receivables Purchase Agreement;

"Purchased Receivable" shall mean any Receivable (including, for the avoidance of doubt, the Excess Portion of any Receivable and any Additional Receivable) which is sold and assigned or purported to be assigned to the Issuer in accordance with the Receivables Purchase Agreement;

"Purchase Shortfall Account" shall mean the bank account with the account number 747 483 9713, IBAN DE75503303007474839713 and SWIFT address IRVTDEFX held in the name of the Issuer at the Account Bank, as well as any other bank accounts specified as such by or on behalf of the Issuer or the Transaction Security Trustee in the future in addition to or as substitute for such Purchase Shortfall Account in accordance with the Accounts Agreement and the Transaction Security Agreement, to which any Purchase Shortfall Amount shall be credited;

"Purchase Shortfall Amount" shall mean, on any Purchase Date, the excess, if any, of the Replenishment Available Amount over the aggregate purchase price payable in accordance with the Receivables Purchase Agreement for all Receivables purchased by the Purchaser on such Purchase Date;

"Purchase Shortfall Event" shall have occurred if, on three consecutive Cut-Off Dates, the amount standing to the credit of the Purchase Shortfall Account is higher than 15% of the initial aggregate Note Principal Amount of all Notes;

"Purchaser" shall mean SC Germany Consumer 2014-1 UG (haftungsbeschränkt), an entrepreneurial company with limited liability (*Unternehmergesellschaft (haftungsbeschränkt)*) registered with the commercial register of the local court (*Amtsgericht*) in Frankfurt am Main under registration number HRB 98665 which has its offices at c/o SFM Structured Finance Management (Deutschland) GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany;

"Rating Agency" shall mean each individually DBRS or S&P, altogether the **"Rating Agencies"**;

"Receivable" shall mean any liability to pay Loan Instalments which a Debtor owes to the Seller in accordance with a Loan Contract, together with any and all present and future ancillary rights under the relevant Loan Contracts, in particular rights to determine legal relationships (*Gestaltungsrechte*), including termination rights (*Kündigungsrechte*) and the rights to give directions (*Weisungsrechte*);

"Receivables Purchase Agreement" shall mean the receivable purchase agreement dated 18 March 2014 between the Seller and the Issuer;

"Records" shall mean with respect to any Purchased Receivable, Related Collateral and the related Debtors all contracts, correspondence, files, notes of dealings and other documents, books, books of accounts, registers, records and other information regardless of how stored;

"Related Collateral" shall mean with respect to any Purchased Receivable (if relevant):

- (a) any accessory security rights (*akzessorische Sicherheiten*) for such Purchased Receivable;
- (b) any and all other present and future claims and rights under a security agreement with respect to the Loan Contract, including, but without limitation, any security title (*Sicherungseigentum*) to certain movable properties, loss compensation insurance policies (*Ratenschutzversicherungen*), and/or any claims and rights in respect of wages and social security benefits (to the extent legally possible);
- (c) any other ownership interests, liens, charges, encumbrances, security interest or other rights or claims in favour of the Seller on any property from time to time securing the payment of such Purchased Receivable, and the Records relating thereto;
- (d) any other sureties, guarantees, and any and all present and future rights and claims under agreements or arrangements of whatever character from time to time supporting or securing payment of such Purchased Receivable whether pursuant to the Loan Contract relating to such Receivable or otherwise;
- (e) all Records relating to the Purchased Receivables and/or the Related Collateral under items (a) through (d) and (f); and

(f) any claims to receive proceeds which arise from the disposal of or recourse to the Related Collateral, *provided that* any costs incurred by the Seller or (if different) the Servicer in connection with such disposal or recourse and any amounts which are due to the relevant Debtor in accordance with the relevant Loan Contract shall be deducted from such proceeds.

"Replenishment Available Amount" shall mean, as of any Payment Date, the amount by which the Aggregate Note Principal Amount exceeds the Aggregate Outstanding Principal Amount as of the Cut-Off Date immediately preceding such Payment Date;

"Replenishment Period" shall mean the period commencing on (but excluding) the Note Issuance Date and ending on (i) the Payment Date falling in the 36th month after the Note Issuance Date (inclusive) or, if earlier, (ii) the date on which an Early Amortisation Event occurs (exclusive);

"Replenishment Termination Date" has the meaning assigned to such term in lit. (e) of Early Amortisation Event.

"Replenishment Termination Option" has the meaning assigned to such term in lit. (e) of Early Amortisation Event.

"Required Reserve Amount" shall mean (a) an amount equal to EUR 13,500,000, or (b) zero, if the Aggregate Outstanding Principal Amount is zero.

"Reserve Fund" shall mean a ledger account to the Transaction Account to which the relevant portion of the Available Distribution Amount as determined as of each relevant Cut-Off Date is applied and credited as of such Cut-Off Date pursuant to item *eleventh* of the Pre-Enforcement Priority of Payments on the Payment Date immediately following such Cut-Off Date;

"RBI AG" shall mean Raiffeisen Bank International AG;

"Scheduled Collections" shall mean, with respect to any Collection Period, the amount of Collections scheduled to be received by the Servicer with respect to such Collection Period as reported by the Servicer for such Collection Period;

"Seller" shall mean Santander Consumer Bank AG, Santander-Platz 1, 41061 Mönchengladbach, Germany;

"Seller Deposits" shall mean, with respect to any Debtor, the actual aggregate amount held by such Debtor in the form of money market accounts (*Tagesgeldkonten*), savings certificates (*Sparbriefe*), savings accounts (*Sparkonten*), current accounts (*Girokonten*) and/or credit cards (Kreditkarten) with the Seller at the relevant time;

"Servicer" shall mean the Seller and any successor thereof or substitute servicer appointed in accordance with the Servicing Agreement;

"Servicer Disruption Date" shall mean any Payment Date in respect of which the Servicer fails to provide a Monthly Report for the immediately preceding Collection Period to the Calculation Agent in time, as notified by the Calculation Agent to the Principal Paying Agent and by the Principal Paying Agent to the Noteholders in accordance with Conditions 8 (*Notifications*) and 13 (*Form of Notice*) of the Terms and Conditions of the Notes;

"Servicer Required Rating" shall mean that Santander Consumer Finance, S.A.'s long-term unsecured, unsubordinated and unguaranteed obligations are assigned a rating of at least BB (high) (or its replacement) by DBRS or, the long-term unsecured, unsubordinated and unguaranteed obligations of the Servicer are then assigned a rating of at least BB (high) (or its replacement) by DBRS;

"Servicer Termination Event" shall mean the occurrence of any of the following events:

1. The Servicer fails to make a payment due under the Servicing Agreement at the latest on the second Business Day after its due date, or, in the event no due date has been determined, within three Business Days after the demand for payment.
2. Following a demand for performance the Servicer fails within five Business Days to perform its material (as determined by the Issuer) obligations (other than those referred to in paragraph 1 above) owed to the Issuer under the Servicing Agreement.
3. Any of the representations and warranties made by the Servicer with respect to or under the Servicing Agreement or any Monthly Report or information transmitted is materially false or incorrect.
4. The Servicer is (i) over-indebted (*überschuldet*), unable to pay its debts when they fall due (*zahlungsunfähig*) or such status is imminent (*drohende Zahlungsunfähigkeit*) or (ii) intends to commence insolvency (including preliminary insolvency proceedings) or reorganisation proceedings or is subject to insolvency (including preliminary insolvency proceedings) or dissolution proceedings and, other than with respect to (i), the Servicer fails to remedy such status within 20 (twenty) Business Days, or if any measures under Section 45, 46 to 47 of the German Banking Act (*Gesetz über das Kreditwesen*) are taken in respect of the Servicer.
5. The Servicer is in default with respect to any material payment obligation owed to any third party for a period of more than five calendar days.
6. The Servicer is in breach of any of the covenants set out in the Servicing Agreement.
7. Any licence of the Servicer required with respect to the Servicing Agreement and the Services to be performed thereunder is revoked, restricted or made subject to any conditions.
8. The Servicer is not collecting Purchased Receivables or Related Collateral pursuant to the Servicing Agreement or is no longer entitled or capable to collect the Purchased Receivables and the Related Collateral for practical or legal reasons.
9. At any time there is otherwise no person which holds any required licence appointed by the Issuer to collect the Purchased Receivables and the Related Collateral in accordance with the Servicing Agreement.
10. There are valid reasons to cause the fulfilment of material duties and material obligations under the Servicing Agreement or under the Loan Contracts or Related Collateral on the part of the Servicer or the Seller (acting in its capacity as the Servicer) to appear to be impeded.
11. The Servicer (to the extent that it is identical with the Seller) is in breach of any of the financial covenants set out in the Receivables Purchase Agreement.

12. A material adverse change in the business or financial conditions of the Servicer has occurred which materially affects its ability to perform its obligations under the Servicing Agreement;
13. At any time Santander Consumer Finance, S.A. (i) ceases to hold directly or indirectly 75 per cent of the Servicer's share capital or voting rights or (ii) fails to meet the Servicer Required Rating.

"**Services**" shall mean the services to be rendered or provided by the Servicer under the Servicing Agreement, in particular Clause 3 hereof;

"**Servicing Agreement**" shall mean a servicing agreement 18 March 2014 and entered into by the Issuer, the Servicer, the Transaction Security Trustee and the Corporate Administrator;

"**Set-Off Required Rating**" shall mean, with respect to any entity, that the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB (or its replacement) by S&P and BBB (or its replacement) by DBRS and any such rating has not been withdrawn;

"**Set-Off Reserve**" shall mean If a Set-Off Reserve Trigger Event occurs, the Seller will be required, within 5 (five) Business Days, to transfer the Set-Off Reserve Amount to the Set-Off Reserve Account;

"**Set-Off Reserve Account**" shall mean the bank account with the account number 747 483 9712, IBAN DE05503303007474839712 and SWIFT address IRVTDEFX held in the name of the Issuer at the Account Bank, as well as any other bank accounts specified as such by or on behalf of the Issuer or the Transaction Security Trustee in the future in addition to or as substitute for such Set-Off Reserve Account in accordance with the Accounts Agreement and the Transaction Security Agreement, to which the Seller will transfer the Set-Off Reserve Amount following the occurrence of a Set-Off Trigger Event;

"**Set-Off Reserve Amount**" shall mean:

(A) as of the Cut-Off Date immediately preceding the occurrence of a Set-Off Reserve Trigger Event and as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the sum of the Seller Deposits which are calculated with respect to each Debtor of Purchased Receivables outstanding as of the relevant date who, on the relevant Cut-Off Date, holds Seller Deposits, and are in each case equal to the lower of (i) the amount of Seller Deposits which, as of the relevant Cut-Off Date, are held with the Seller by such Debtor, and (ii) the Principal Amount of the Purchased Receivables owed by such Debtor outstanding as of the relevant Cut-Off Date; or

(B) if as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the Seller has at least the Set-Off Required Rating, zero.

"**Set-Off Reserve Excess Amount**" shall mean, as of any Payment Date, the excess of the amounts standing to the credit of the Set-Off Reserve Account over the Set-Off Reserve Amount on the Cut-Off Date immediately preceding such Payment Date, after a drawing (if any) in accordance with item 8 of the definition of Available Distribution Amount;

"**Set-Off Reserve Trigger Event**" shall have occurred if, at any time, (i) Santander Consumer Finance, S.A. ceases to have the Set-Off Required Rating or (ii) Santander Consumer Finance,

S.A. ceases to own, directly or indirectly, at least 75% of the share capital of the Seller, unless in each case (i) and (ii), the Seller has at least the Set-Off Required Rating;

"**S&P**" shall mean Standard & Poor's Credit Market Services Europe Limited (Attn: Standard & Poor's Ratings Services, 20 Canada Square, London E14 5LH, United Kingdom, Email: ABSEuropeanSurveillance@standardandpoors.com or such other contact details as may be notified by S&P to the Issuer from time to time) or its successor;

"**Stock Exchange**" shall mean the Luxembourg Stock Exchange;

"**Subordinated Loan Agreement**" shall mean a subordinated loan agreement 18 March 2014 and entered into by the Issuer as borrower and the Subordinated Loan Provider as lender;

"**Subordinated Loan Provider**" shall mean Santander Consumer Bank AG, Santander-Platz 1, 41061 Mönchengladbach, Germany, or any successor or assignee thereof;

"**Subscription Agreement**" shall mean an agreement for the subscription of the Notes dated 18 March 2014 and entered into between the Issuer, the Manager and the Seller;

"**TARGET**" shall mean the Trans-European Automated Real-time Gross settlement Express Transfer System (Target 2) which was launched on 17 November 2007;

"**TARGET Day**" shall mean any day on which all relevant parts of TARGET are operational;

"**Termination Date**" shall mean the day on which a termination becomes effective pursuant to Clause 22 of the Receivables Purchase Agreement;

"**Termination Event**" shall mean the occurrence of any of the following events:

1. the Seller fails to make a payment due under the Receivables Purchase Agreement at the latest on the fifth (5th) Business Day after its due date, or, in the event no due date has been determined, within five (5) Business Days after the demand for payment, where such aggregate amount due is at least EUR 50,000,
2. the Seller fails within five (5) Business Days to perform its material (as determined by the Purchaser) obligations (other than those referred to in (1) above) owed to the Purchaser under the Receivables Purchase Agreement after its due date, or, in the event no due date has been determined, within five Business Days after the demand for performance,
3. any of the representations and warranties made by the Seller, with respect to or under the Receivables Purchase Agreement or information transmitted is materially false or incorrect, unless such falseness or incorrectness, insofar as it relates to Purchased Receivables, Related Collateral, or the Loan Contracts, has been remedied by the earlier of: (i) the fifth Business Day (inclusive) prior to the Purchase Date and (ii) the fifth Business Day (inclusive) after the Seller has become aware that such representations or warranties were false or incorrect,
4. the Seller is over-indebted (*überschuldet*), unable to pay its debts when they fall due (*zahlungsunfähig*) or such status is imminent (*drohende Zahlungsunfähigkeit*) or intends to commence insolvency (including preliminary insolvency proceedings) or reorganisation proceedings or its subject to insolvency (including preliminary insolvency proceedings) or

dissolution proceedings and the Seller fails to remedy such status within five Business Days ,

5. the Seller is in default with respect to any Material Payment Obligations owed to any third parties for a period of more than five (5) calendar days; "**Material Payment Obligations**" shall mean a payment due and payable in the amount of or in excess of EUR 1,000,000,
6. the Seller is in material breach of any covenants of the Seller under the Receivables Purchase Agreement,
7. the banking licence of the Seller is revoked, restricted or made subject to any conditions or any of the proceedings referred to in or any action under Section 45 to 48 of the German Banking Act (*Gesetz über das Kreditwesen*) have been taken with respect to the Seller,
8. the Seller fails to perform any material obligation under the Loan Contracts or in relation to the related Collateral,
9. an Issuer Event of Default has occurred, or
10. a material adverse change in the business or financial conditions of the Seller has occurred which materially affects its ability to perform its obligations under the Receivables Purchase Agreement;

"**Terms and Conditions of the Notes**" shall mean the terms and conditions of the Class A Notes and the Class B Notes as set out in the Prospectus;

"**Transaction Account**" shall mean the bank account with the account number 747 483 9710, IBAN DE59503303007474839710 and SWIFT address IRVTDEFX held in the name of the Issuer at the Account Bank, as well as any other bank accounts specified as such by or on behalf of the Issuer or the Transaction Security Trustee in the future in addition to or as substitute for such Transaction Account in accordance with the Accounts Agreement and the Transaction Security Agreement;

"**Transaction Cost Fee**" shall mean a fee paid by the Seller to the Issuer on each Payment Date in accordance with the Receivables Purchase Agreement. The Transaction Cost Fee will not form part of the Available Distribution Amount. The claims and rights under the Funding Loan will be limited to the amounts received by the Issuer from time to time in respect of the Transaction Cost Fee;

"**Transaction Documents**" shall mean the Receivables Purchase Agreement, the Servicing Agreement, the Master Definitions Agreement, the Subordinated Loan Agreement, the Corporate Administration Agreement, the Accounts Agreement, any Transaction Security Document, the Data Trust Agreement, the Funding Loan Agreement, each Note, the Agency Agreement, the Subscription Agreement and any amendment agreement, termination agreement or replacement agreement relating to any such agreement;

"**Transaction Secured Obligations**" has the meaning ascribed to such term in Clause 7 (*Security Purpose*) of the Transaction Security Agreement.

"**Transaction Security Agreement**" shall mean a transaction security agreement dated 18 March 2014 and made between, the Issuer, the Manager, the Principal Paying Agent, the Calculation Agent, the Cash Manager, the Corporate Administrator, the Account Bank, the Data Trustee, the

Seller, the Servicer, the Subordinated Loan Provider and the Transaction Security Trustee for the benefit of the Beneficiaries (as such term is defined therein);

"Transaction Security Documents" shall mean the Transaction Security Agreement, and any other agreement or document entered into from time to time by the Transaction Security Trustee with the Issuer for the benefit of the Noteholders and the other Beneficiaries (as such term is defined in the Transaction Security Agreement) for the purpose, *inter alia*, of securing all or any of the obligations of the Issuer under the Transaction Documents (other than the Funding Loan Agreement);

"Transaction Security Trustee" shall mean SFM Trustees Limited, 35 Great St. Helen's, London EC3A 6AP, United Kingdom, its successors or any other person appointed from time to time as Transaction Security Trustee in accordance with the Transaction Security Agreement.

Issuer

SC Germany Consumer 2014-1 UG (haftungsbeschränkt)
c/o SFM Structured Finance Management (Deutschland) GmbH,
Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany

Corporate Administrator of the Issuer

SFM Structured Finance Management (Deutschland) GmbH
Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany

Transaction Security Trustee

SFM Trustees Limited
35 Great St. Helen's, London EC3A 6AP, United Kingdom

Principal Paying Agent, Calculation Agent and Cash Manager

The Bank of New York Mellon, London Branch
One Canada Square, London E14 5AL, United Kingdom

Account Bank

The Bank of New York Mellon, Frankfurt Branch
Messeturm, Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main, Germany

Data Trustee

SFM Structured Finance Management (Deutschland) GmbH
Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany

Transaction Counsel

Mayer Brown LLP
Friedrich-Ebert-Anlage 35-37, 60327 Frankfurt am Main, Germany

Luxembourg Listing Agent and Luxembourg Intermediary

The Bank of New York Mellon (Luxembourg) S.A.
Vertigo Building-Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg

Auditors of the Issuer

Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft
Schwannstraße 6, 40476 Düsseldorf, Germany