

## IMPORTANT NOTICE

### NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE U.S.

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NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF THE ISSUER IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT IN CERTAIN TRANSACTIONS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

This prospectus has been delivered to you on the basis that you are a person into whose possession this prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this prospectus to any other person. In order to be eligible to view this prospectus or make an investment decision with respect to the securities, investors must not be U.S. persons (within the meaning of Regulation S under the Securities Act). This prospectus is being sent at your request and by accessing the prospectus, you shall be deemed to have confirmed and represented to us that (i) you have understood and agree to the terms set out herein, (ii) you consent to delivery of the prospectus by electronic transmission, (iii) you are not a U.S. person (within the meaning of Regulation S under the Securities Act) or acting for the account or benefit of a U.S. person and the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia and (iv) if you are a person in the United Kingdom, then you are a person who (A) has professional experience in matters relating to investments within Article 19 of the Financial Services and Markets Act (Financial Promotion) Order 2005 (the “FPO”) or (B) is a high net worth entity falling within Article 49(2)(a) to (d) of the FPO.

This prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither Turbo Finance 2 plc, the Joint Lead Managers (as defined herein) nor any person who controls any of them respectively (nor any director, officer, employee or agent of it or affiliate of any such person) accepts any liability or responsibility whatsoever in respect of any difference between the prospectus distributed to you in electronic format and the hard copy version available to you on request from Turbo Finance 2 plc or the Joint Lead Managers (as defined herein).

**TURBO FINANCE 2 PLC**

*(Incorporated under the laws of England and Wales with limited liability under registered number 7911005)*

Notes	Principal Amount	Issue Price	Interest Rate/Reference Rate	Relevant Margin	Final Maturity Date	Ratings
Class A	£255,000,000	100%	One-Month Sterling LIBOR	1.40 % per annum	The Payment Date falling in February 2019	AAAsf by Fitch/ Aaa (sf) by Moody's
Class B	£38,000,000	100%	5.5 % per annum	NA	The Payment Date falling in February 2019	Asf by Fitch/ A1 (sf) by Moody's
Class C	£21,617,000	100%	15 % per annum	NA	The Payment Date falling in February 2019	NA
Class D	£5,130,000	100%	20 % per annum	NA	The Payment Date falling in February 2019	NA

<b>Issue Date</b>	The Issuer expects to issue the Notes in the classes set out above on 29 March 2012 (the " <b>Closing Date</b> ").
<b>Underlying Assets</b>	The Issuer will make payments on the Notes from, <i>inter alia</i> , payments of principal and revenue received from a portfolio comprising auto loans (hire purchase agreements) originated and/or acquired by FirstRand Bank Limited acting through its London Branch (the " <b>Seller</b> " and the " <b>Originator</b> ") (the " <b>Purchased Receivables Pool</b> ") which will be purchased by the Issuer on the Closing Date. These hire purchase agreements provide for equal monthly payments over the term of the contract or monthly payments and a final bullet payment. See the section entitled " <i>The Provisional Receivables Pool</i> " for more information.
<b>Credit Enhancement</b>	- Subordination of junior ranking Notes.  - Cash Reserve Account, funded from the proceeds of the issue of the Notes on the Closing Date in an amount of £5,130,000 (the " <b>Initial Cash Reserve Amount</b> "), corresponding to 1.63% of the Aggregate Cut-Off Date Principal Balance, which will be replenished on each Payment Date up to the Specified Cash Reserve Account Required Balance. Any balance on the Cash Reserve Account from time to time will form part of the Available Distribution Amount. The monies in the Cash Reserve Account may be used by the Issuer to cover any shortfalls.  See the section entitled " <i>Credit Structure and Cashflow</i> " for more information.
<b>Redemption Provisions</b>	Information on any optional and mandatory redemption of the Notes is summarised on pages 23 and 24 ( <i>Transaction Overview - Summary of the Terms and Conditions of the Notes</i> ) and set out in full in Condition 7 ( <i>Redemption and cancellation</i> ).
<b>Credit Rating Agencies</b>	Ratings will be assigned to the Senior Notes by Moody's and Fitch.  In general, European regulated investors are restricted from using a rating for

	<p>regulatory purposes if such rating is not issued by a credit rating agency established in the European Community and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council dated 16 September 2009 on credit rating agencies (the "<b>CRA Regulation</b>") unless the rating is provided by a credit rating agency operating in the European Community before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.</p> <p>Each of Moody's and Fitch is a credit rating agency registered under the CRA Regulation.</p>
<b>Credit Ratings</b>	<p>Ratings are expected to be assigned to the Senior Notes as set out above on or before the Closing Date.</p> <p>The Class A Notes are expected to be rated AAAsf by Fitch and Aaa (sf) by Moody's. The Class B Notes are expected to be rated Asf by Fitch and A1 (sf) by Moody's. The Class C Notes and the Class D Notes will not be rated.</p> <p>The ratings assigned by Fitch address (i) the payment of interest on the Class A Notes and the Class B Notes at the applicable rate of interest, in each case on each Payment Date or, should payment of interest be deferred pursuant to the Conditions, on or before the Final Maturity Date and (ii) the ultimate repayment of the Principal Amount Outstanding of the Senior Notes on or before the Final Maturity Date.</p> <p>The ratings assigned by Moody's address (i) the timely payment of interest on the Class A Notes and (ii) the expected loss posed to investors in the Class A Notes and the Class B Notes by the Final Maturity Date.</p> <p><b>The ratings should not be regarded as a recommendation by the Issuer or by the Joint Arrangers, the Joint Bookrunners or the Joint Lead Managers or by the Rating Agencies to buy, sell or hold the Senior Notes.</b></p> <p><b>The credit ratings of the Notes should be evaluated independently from similar ratings on other types of securities.</b></p> <p><b>The assignment of ratings to the Senior Notes is not a recommendation to invest in the Senior Notes. Any credit rating assigned to the Senior Notes may be revised or withdrawn at any time.</b></p>
<b>Listing</b>	<p>This document comprises a prospectus (the "<b>Prospectus</b>"), for the purpose of Directive 2003/71/EC (the "<b>Prospectus Directive</b>"). This Prospectus has been approved by the Central Bank of Ireland as competent authority under the Prospectus Directive.</p> <p>The Central Bank of Ireland only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.</p> <p>Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List (the "<b>Official List</b>") and trading on its regulated market. The regulated market of the Irish Stock Exchange is a regulated market for the purposes of Directive 2004/39/EC (the "<b>Markets in Financial Instruments Directive</b>").</p>
<b>Obligations</b>	<p>The Notes will be obligations of the Issuer alone and will not be guaranteed by, or be the responsibility of, any other entity. In particular, the Notes will not be obligations of, or guaranteed by, or be the responsibility of FRB London, its affiliates or any other party to the Transaction Documents other than the Issuer.</p>
<b>Retention Undertaking</b>	<p>FRB London will undertake to the Issuer that it will retain, on an ongoing basis, a material net economic interest which shall in any event not be less than 5%, in accordance with Article 122(a) of Directive 2006/48/EC (as amended by Directive 2009/111/EC), referred to as the Capital Requirements Directive ("<b>CRD 2</b>"). As at the Closing Date, such interest will be comprised of randomly selected Receivables with an aggregate Principal Balance equal to at least 5% of the Principal Balance of the Purchased Receivables as at the Purchase Date where such retained Receivables would otherwise have been securitised in the securitisation. Any change to the manner in which such interest is held will be promptly notified to the Trustee and</p>

	<p>the Noteholders.</p> <p>Each prospective investor that is required to comply with Article 122a (as implemented in each Member State of the European Economic Area) is required independently to assess and determine the sufficiency of the information described in this Prospectus and otherwise which may be made available to investors (if any) generally for the purposes of complying with Article 122a and any corresponding local implementing rules which may be relevant, and none of the Transaction Parties make any representation that the information described in this Prospectus and otherwise which may be made available to investors (if any) is sufficient in all circumstances for such purposes. Prospective investors who are uncertain as to the requirements under Article 122a which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.</p> <p>Please refer to the section entitled "<i>The Retained Interest Pool</i>" and to "<i>RISK FACTORS - Compliance with Article 122a of the CRD</i>".</p>
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**THE "*RISK FACTORS*" SECTION CONTAINS DETAILS OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE GIVEN PARTICULAR CONSIDERATION BEFORE INVESTING IN THE NOTES. PROSPECTIVE INVESTORS SHOULD BE AWARE OF THE ISSUES SUMMARISED WITHIN THAT SECTION.**

**Joint Arrangers and Joint Bookrunners**

**BNP Paribas**

**UBS Investment Bank**

**Joint Lead Managers**

**BNP Paribas**

**FirstRand Bank Limited**

**UBS Investment Bank**

**The date of this Prospectus is 28 March 2012**

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THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR ANY STATE SECURITIES LAWS. THE NOTES MAY NOT BE OFFERED OR SOLD DIRECTLY OR INDIRECTLY WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THE NOTES WILL ONLY BE OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS PURSUANT TO THE REQUIREMENTS OF REGULATION S UNDER THE SECURITIES ACT. THERE IS NO UNDERTAKING TO REGISTER THE NOTES UNDER STATE OR FEDERAL SECURITIES LAW. THE NOTES CANNOT BE SOLD IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT IS AVAILABLE.

Each initial and subsequent purchaser of Notes will be deemed, by its acceptance of such Notes, to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer thereof as set forth therein and described in this Prospectus and, in connection therewith, may be required to provide confirmation of its compliance with such resale or other transfer restrictions in certain cases.

### Responsibility Statements

The Issuer accepts responsibility for the information contained in this Prospectus and to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer further confirms that this Prospectus contains all information which is material in the context of the issue of the Notes, that such information contained in this Prospectus is true and accurate in all material respects and is not misleading, that the opinions and the intentions expressed in it are honestly held by it and that there are no other facts the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect and all proper enquiries have been made to ascertain and to verify the foregoing. The Issuer accepts responsibility accordingly and the Issuer has confirmed to the Joint Lead Managers, the Joint Bookrunners and the Joint Arrangers that the Issuer accepts such responsibility.

FirstRand Bank Limited acting through its London Branch in its capacity as the Seller and the Servicer accepts responsibility for the information contained in this document relating to itself, the description of its rights and obligations in respect of, in the sections headed "THE SELLER AND SERVICER", "BUSINESS PROCEDURES OF FIRSTRAND BANK LIMITED ACTING THROUGH ITS LONDON BRANCH", all information relating to the Financing Contracts, the Receivables Purchase Agreement, the Servicing Agreement and all information relating to the Purchased Receivables, in the sections headed "DESCRIPTION OF THE PURCHASED RECEIVABLES", "THE PROVISIONAL RECEIVABLES POOL", "THE RETAINED INTEREST POOL", "HISTORICAL PERFORMANCE DATA", "SCHEDULED AMORTISATION OF THE PURCHASED RECEIVABLES AND ESTIMATED AMORTISATION OF THE NOTES", "ESTIMATED WEIGHTED AVERAGE LIFE OF THE SENIOR NOTES" and "THE SELLER AND SERVICER" and all information relating to the Financing Contracts in any Servicing Report and all the confirmations and undertakings for and in respect of the Retained Interest and, as applicable, the making of certain information available to investors pursuant to Article 122a of the CRD (together the "**FRB London Information**") and to the best of the knowledge and belief of FirstRand Bank Limited acting through its London Branch (which has taken all reasonable care to ensure that such is the case) such FRB London Information is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Seller and Servicer as to the accuracy or completeness of any information contained in this Prospectus (other than the FRB London Information) or any other information supplied in connection with the Notes or their distribution.

The information relating to the Obligors, which is set out in the "RISK FACTORS", "DESCRIPTION OF THE PURCHASED RECEIVABLES", and "THE PROVISIONAL RECEIVABLES POOL" sections of this Prospectus, has been accurately reproduced from information made available by the Seller. So far as the Issuer is aware and is able to ascertain from information published in respect of the Obligors, no facts have been omitted which would render the reproduced information inaccurate or misleading.

BNP Paribas, London Branch in its capacity as the Account Bank accepts responsibility for the information contained in this document relating to itself in the section headed "ACCOUNT BANK" (the "**Account Bank Information**") and to the best of the knowledge and belief of the Account Bank (which has taken all reasonable care to ensure that such is the case) such Account Bank Information is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Account Bank as to the accuracy or completeness of any information contained in this Prospectus (other than the Account Bank Information) or any other information supplied in connection with the Notes or their distribution.

Homeloan Management Limited in its capacity as the Back-up Servicer accepts responsibility for the information contained in this document relating to itself in the section headed "Back-up Servicer" (the "**Back-up Servicer Information**") and to the best of the knowledge and belief of the Back-up Servicer (which has taken all reasonable care to ensure that such is the case) such Back-up Servicer Information is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Back-up Servicer as to the accuracy or completeness of any information contained in this Prospectus (other than the Back-up Servicer Information) or any other information supplied in connection with the Notes or their distribution.

The Swap Counterparty accepts responsibility for the information contained in this document relating to itself in the section headed "SWAP COUNTERPARTY" (the "**Swap Counterparty Information**") and to the best of the knowledge and belief of the Swap Counterparty (which has taken all reasonable care to ensure that such is the case) such Swap Counterparty Information is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Swap Counterparty as to the accuracy or completeness of any information contained in this Prospectus (other than the Swap Counterparty Information) or any other information supplied in connection with the Notes or their distribution.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted (other than with respect to the information referred to above and referable to it if any) by the Joint Arrangers, the Joint Bookrunners, the Joint Lead Managers, the Seller, the Trustee, the Paying Agent, the Agent Bank, the Account Bank, the Cash Manager, the Servicer, the Back-up Servicer, the Obligors, the Corporate Services Provider, the Listing Agent, the Swap Counterparty or any other party to the Transaction Documents or any person affiliated with them (other than the Issuer) as to the accuracy or completeness of the information contained in this Prospectus or any other information supplied in connection with the Notes or their distribution. Other than with respect to the information referred to above, each person receiving this Prospectus acknowledges that such person has not relied on the Joint Arrangers, the Joint Bookrunners, the Joint Lead Managers, the Seller, the Trustee, the Paying Agent, the Agent Bank, the Account Bank, the Cash Manager, the Servicer, the Back-up Servicer, the Obligors, the Corporate Services Provider, the Listing Agent, the Swap Counterparty or any other party to the Transaction Documents or any person affiliated with them (other than the Issuer) in connection with any investigation of the accuracy of the information on its investment decision.

The Issuer is not and will not be regulated by the Central Bank of Ireland as a result of issuing the Notes. Any investment in the Notes does not have the status of a bank deposit and it is not within the scope of the deposit protection scheme operated by the Central Bank of Ireland.

BNP Paribas Securities Services, Luxembourg Branch as listing agent is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission to the Official List of the Irish Stock Exchange or to trading on the Irish Stock Exchange for the purposes of the Prospectus Directive.

### **Form of Notes**

The Notes will be in bearer form and in the denomination of £100,000 and integral multiples of £1,000 in excess thereof. The Notes of each Class will initially be represented on issue by a temporary global note in bearer form (each, a "**Temporary Global Note**") without interest coupons or receipts attached, which will be deposited on or about the Closing Date with a common safekeeper for Clearstream Banking société anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**"). Each Temporary Global Note will be exchangeable for interests in a permanent global note in bearer form (each, a "**Permanent Global Note**") representing the same Class of Notes, without interest coupons attached, not earlier than forty (40) days after the

Closing Date (provided that certificates as to non-U.S. beneficial ownership have been received). Ownership interests in the Temporary Global Notes and the Permanent Global Notes will be shown on, and transfers thereof will only be effected through, records maintained by Clearstream, Luxembourg and Euroclear and their respective participants. Interests in the Permanent Global Notes will be exchangeable for Definitive Notes in bearer form only in certain limited circumstances as set forth herein.

Each Global Note will be in the form of a new global note. The Notes will all have the benefit of the security created in favour of the Trustee pursuant to the Deed of Charge and the Assignment in Security (the "**Issuer Security**") and in the event of the Issuer Security being enforced, the Class A Notes will rank in priority to the Class B Notes, the Class B Notes will rank in priority to the Class C Notes and the Class C Notes will rank in priority to the Class D Notes. Certain debts of the Issuer, including certain amounts due under the Swap Agreement, will rank in priority to the Notes. See "TERMS AND CONDITIONS OF THE NOTES".

### **Representations about the Notes**

No person is or has been authorised in connection with the issue and sale of the Notes to make any representation or provide any information other than as contained in this Prospectus. Any such representation or information should not be relied upon as having been authorised by or on behalf of the Issuer, Joint Arrangers, the Joint Bookrunners, the Joint Lead Managers, the Seller, the Trustee, the Paying Agent, the Agent Bank, the Account Bank, the Cash Manager, the Servicer, the Back-up Servicer, the Obligor, the Corporate Services Provider, the Listing Agent, the Swap Counterparty or any other party to the Transaction Documents or any person affiliated with them.

Prospective investors should not construe the contents of this Prospectus as legal, economic, investment, accounting, tax or other advice. Each prospective investor must rely upon its own representatives and professional advisers, including its own legal counsel and accountants, as to legal, economic, tax and related aspects of the investment described herein and as to its suitability for such investor. Investment in the Notes may not be suitable for all recipients of this Prospectus. If you are in any doubt about the contents of this Prospectus you should consult your financial advisers.

### **Financial condition of the Issuer and the Obligors**

Neither the delivery of this Prospectus nor the offer, sale, allocation, solicitation or delivery of any Note shall in any circumstances create any implication or constitute a representation that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or the Obligors or the information contained herein since the date of this Prospectus or that the information contained herein is correct as at any time subsequent to the date of this Prospectus.

### **Selling Restrictions**

This Prospectus has been approved by the Central Bank of Ireland as competent authority under the Prospectus Directive.

The Central Bank of Ireland only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market.

Other than the approval of the Central Bank of Ireland of this Prospectus as a prospectus in accordance with the Prospectus Directive, no action has been or will be taken to permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part thereof) comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions.

Neither this Prospectus nor any part hereof constitutes an offer of, or an invitation by, or on behalf of, the Issuer, the Joint Arrangers, the Joint Bookrunners or the Joint Lead Managers to subscribe for or purchase any of the Notes. Neither this Prospectus, nor any part hereof, may be used for or in connection with an offer to, or solicitation by, any person in any jurisdiction or in any circumstance in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any part hereof nor any other prospectus, form of application, advertisement, other offering material or other information may be issued, distributed or published in any country or jurisdiction (including the United

Kingdom), except in circumstances that will result in compliance with all applicable laws, orders, guidelines and regulations.

None of the Issuer, the Joint Arrangers, the Joint Bookrunners or the Joint Lead Managers or any of their representatives is making any representation to any purchaser of the Notes described by this Prospectus regarding the legality of an investment by such purchaser under appropriate securities, investment or similar laws. Prospective purchasers should consult with their advisers as to the legal, tax, business, financial and related aspects of a purchase of the Notes.

For a further description of certain restrictions on offers and sales of the Notes and the distribution of this Prospectus, see "SUBSCRIPTION AND SALE".

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant and/or other financial adviser.

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

The Notes have not been, and will not be, registered under the Securities Act, and are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered, directly or indirectly, in the United States or to any U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes are being offered for sale outside the United States in accordance with Regulation S under the Securities Act. See "SUBSCRIPTION AND SALE".

### **Interpretation**

References in this Prospectus to "£", "**Sterling**" and "**Pounds Sterling**" are references to the lawful currency for the time being of the United Kingdom.

Certain figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Capitalised terms used in this Prospectus, unless otherwise indicated, have the meanings set out in this Prospectus. An index of defined terms appears at the end of this Prospectus in the section headed "GLOSSARY OF DEFINED TERMS".

For the purposes of the Prospectus Directive, references to "listing" can be taken to read "admission to trading".

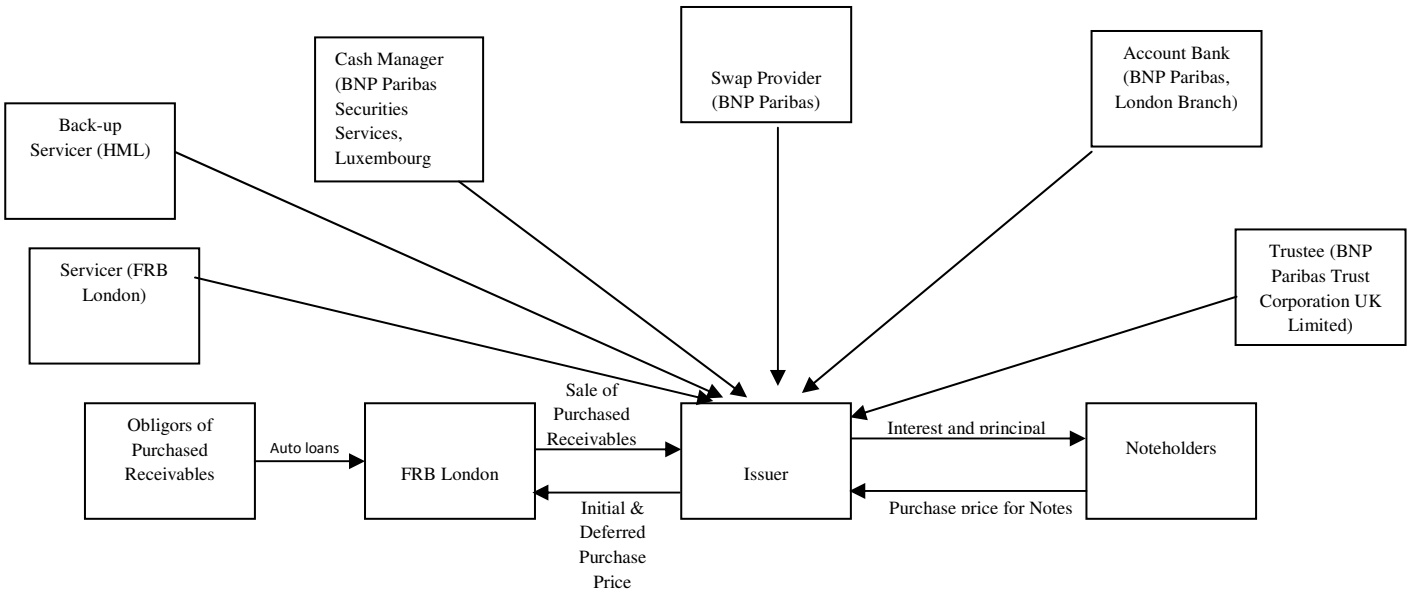


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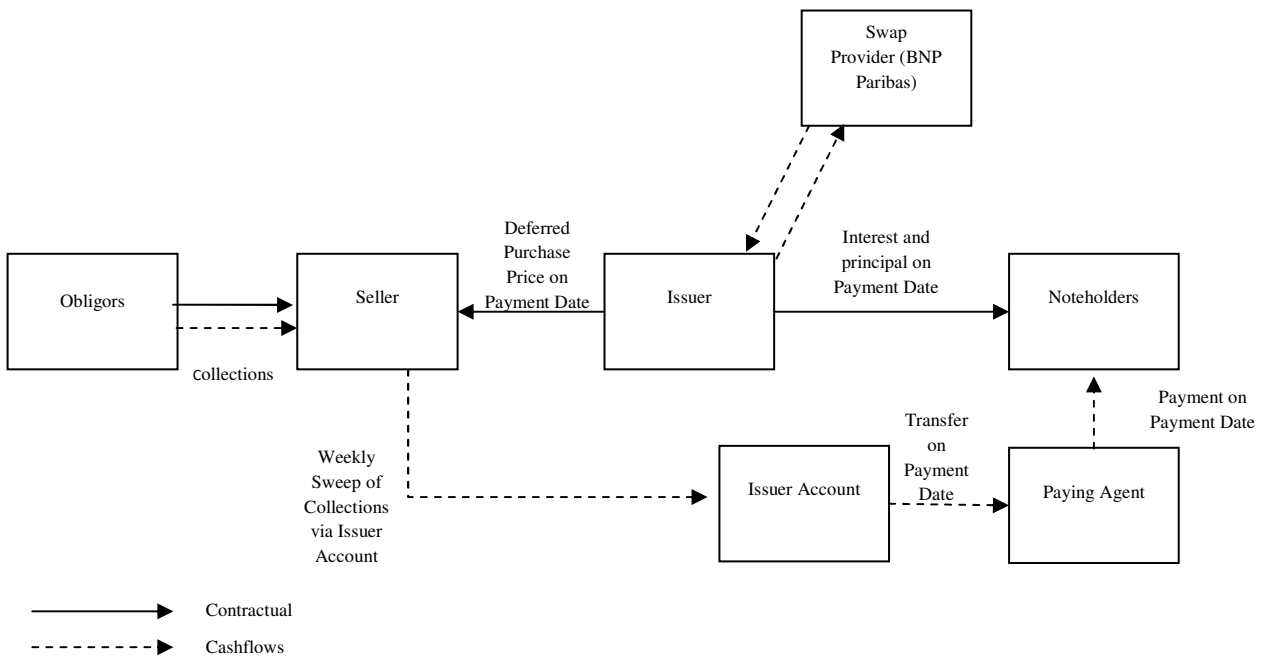
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## DIAGRAMMATIC OVERVIEW

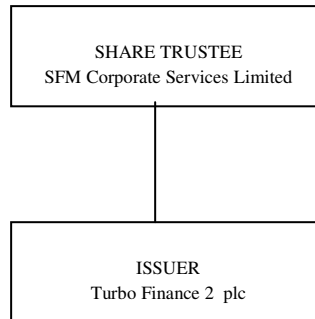
### DIAGRAMMATIC OVERVIEW OF THE TRANSACTION



### DIAGRAMMATIC OVERVIEW OF ON-GOING CASH FLOW



## OWNERSHIP STRUCTURE DIAGRAM



The entire issued share capital of the Issuer is held on trust by the Share Trustee under the terms of a discretionary trust, the benefit of which is expressed to be for charitable purposes.

## TRANSACTION SUMMARY

*The information set out below is an overview of various aspect of the transaction. This overview is not purported to be complete and should be read in conjunction with, and is qualified in its entirety by, references to the detailed information presented elsewhere in this Prospectus..*

### TRANSACTION PARTIES ON THE CLOSING DATE

Party	Name	Address	Document under which appointed/Further Information
<b>Joint Arrangers and Joint Bookrunners</b>	BNP Paribas, London Branch	10 Harewood Avenue London, NW1 6AA, United Kingdom	N/A
	UBS Limited	1 Finsbury Avenue, London, EC2M 2PP , United Kingdom	N/A
<b>Lead Managers</b>	BNP Paribas, London Branch	10 Harewood Avenue London, NW1 6AA, United Kingdom	Subscription Agreement. See the section entitled " <i>Subscription and Sale</i> ".
	UBS Limited	1 Finsbury Avenue, London, EC2M 2PP, United Kingdom	Subscription Agreement. See the section entitled " <i>Subscription and Sale</i> ".
	FirstRand Bank Limited, acting through its London Branch	20 Gracechurch Street, London EC3V 0BG, United Kingdom	Subscription Agreement. See the section entitled " <i>Subscription and Sale</i> ".
<b>Issuer</b>	Turbo Finance 2 plc	35 Great St. Helen's, London EC3A 6AP United Kingdom	N/A. See the section entitled " <i>The Issuer</i> ".
<b>Seller/Originator</b>	FirstRand Bank Limited acting through its London Branch	20 Gracechurch Street, London, EC3V 0BG, United Kingdom	N/A. See the sections entitled " <i>The Seller and Servicer</i> " and " <i>Summary of Principal Documents - Receivables Purchase Agreement</i> ".
<b>Servicer</b>	FirstRand Bank Limited acting through its London Branch	20 Gracechurch Street, London, EC3V 0BG, United Kingdom	Servicing Agreement by the Issuer and the Trustee. See the sections entitled " <i>The Seller and Servicer</i> " and " <i>Summary of</i>

<b>Party</b>	<b>Name</b>	<b>Address</b>	<b>Document under which appointed/Further Information</b>
<b>Back-up Servicer</b>	Homeloan Management Limited	The Bailey, Skipton, North Yorkshire BD23 1DN, United Kingdom	<i>Principal Documents - Servicing Agreement</i> . Back-up Servicing Agreement by the Issuer and the Trustee. See the sections entitled " <i>The Back-up Servicer</i> " and " <i>Summary of Principal Documents - Back-up Servicing Agreement</i> ".
<b>Cash Manager</b>	BNP Paribas Securities Services, Luxembourg Branch	33, rue de Gasperich, L-5826 Hesperange Luxembourg	Cash Management Agreement by the Issuer. See the section entitled " <i>Summary of Principal Documents - Cash Management Agreement</i> ".
<b>Swap Counterparty</b>	BNP Paribas	3 rue Taitbout, 75009 Paris, France	Swap Agreement by the Issuer. See the sections entitled " <i>Swap Counterparty</i> " and " <i>Summary of Principal Documents - Swap Agreement</i> ".
<b>Account Bank</b>	BNP Paribas, London Branch	10 Harewood Avenue, London, NW1 6AA, United Kingdom	Account Agreement by the Issuer. See the sections entitled " <i>Account Bank</i> " and " <i>Summary of Principal Documents - Account Agreement</i> ".
<b>Trustee</b>	BNP Paribas Trust Corporation UK Limited	55 Moorgate London EC2R 6PA United Kingdom	Trust Deed and Deed of Charge by the Issuer. See the Conditions and the section entitled " <i>Summary of Principal Documents - Trust Deed</i> ".

<b>Party</b>	<b>Name</b>	<b>Address</b>	<b>Document under which appointed/Further Information</b>
<b>Paying Agent</b>	BNP Paribas Securities Services, Luxembourg Branch	33, rue de Gasperich, L-5826 Hesperange Luxembourg	Paying Agency Agreement by the Issuer. See the section entitled " <i>Summary of Principal Documents - Paying Agency Agreement</i> ".
<b>Agent Bank</b>	BNP Paribas Securities Services, Luxembourg Branch	33, rue de Gasperich, L-5826 Hesperange Luxembourg	Paying Agency Agreement by the Issuer. See the section entitled " <i>Summary of Principal Documents - Paying Agency Agreement</i> ".
<b>Common Safekeeper</b>	BNP Paribas Securities Services, Luxembourg Branch	33, rue de Gasperich, L-5826 Hesperange Luxembourg	N/A
<b>Corporate Services Provider</b>	Structured Finance Management Limited	35 Great St. Helen's, London EC3A 6AP, United Kingdom	Corporate Services Agreement by the Issuer. See the section entitled " <i>Summary of Principal Documents - Corporate Services Agreement</i> ".
<b>Listing Agent</b>	BNP Paribas Securities Services, Luxembourg Branch	33, rue de Gasperich, L-5826 Hesperange Luxembourg	Paying Agency Agreement by the Issuer. See the section entitled " <i>Summary of Principal Documents - Paying Agency Agreement</i> ".
<b>Class C Note Purchaser</b>	FirstRand International Limited	La Plaiderie House, St Peter Port, Guernsey GY1 4NL, Channel Islands	Class C Note Purchase Agreement. See the section entitled " <i>Subscription and Sale</i> ".
<b>Class D Note Purchaser</b>	FirstRand International Limited	La Plaiderie House, St Peter Port, Guernsey GY1 4NL, Channel Islands	Class D Note Purchase Agreement. See the section entitled " <i>Subscription and Sale</i> ".
<b>Listing Authority and Stock Exchange</b>	Irish Stock Exchange	28 Anglesea Street, Dublin 2, Ireland	N/A

<b>Party</b>	<b>Name</b>	<b>Address</b>	<b>Document under which appointed/Further Information</b>
<b>Clearing Systems/ ICSDs</b>	Euroclear	1 Boulevard du Roi Albert II B-1210 Brussels, Belgium	N/A
	Clearstream, Luxembourg	42 Avenue JF Kennedy, L-1855 Luxembourg	N/A
<b>Rating Agencies</b>	Fitch Ratings Ltd.	30 North Colonnade, London E14 5GN United Kingdom	N/A
	Moody's Investors Service, Inc.	One Canada Square Canary Wharf London E14 5FA United Kingdom	N/A

## RECEIVABLES POOL AND SERVICING

Please refer to the sections entitled "Description of the Purchased Receivables", "The Provisional Receivables Pool" and "Summary of Principal Transaction Documents - Receivables Purchase Agreement" for further detail in respect of the characteristics of the Purchase Receivables Pool and the sale and the servicing arrangements in respect of the Purchase Receivables Pool.

### Sale of Portfolio

The Purchased Receivables Pool will consist of the Receivables (comprising the pool of Receivables as at 29 February 2012 - the "**Cut-Off Date**"), including any Ancillary Rights, which will be sold to the Issuer on the Closing Date. In the case of Scottish Receivables, the Seller will hold such Scottish Receivables on trust for the Issuer.

The Purchased Receivables comprise claims against Obligor in respect of payments due under Financing Contracts. The vehicles ("**Financed Objects**") financed pursuant to the Financing Contracts are new and second hand motor vehicles.

The Ancillary Rights include rights of action against Obligor, rights to Enforcement Proceeds, rights to any proceeds or monetary benefit in respect of any claim or claims against any motor vehicle insurer in relation to any damaged or stolen Financed Object (an "**Insurance Claim**") (the "**Insurance Proceeds**") arising in relation to the relevant Financed Object, but exclude any rights specifically relating to legal title to the Financed Object itself.

The Financing Contracts are expressed to be governed by the laws of England and Wales and take the form of hire purchase agreements between FRB London and Obligor pursuant to which the Obligor's repayments amortise in monthly instalments over the life of the Financing Contracts.

See the section entitled "Summary of Principal Transaction Documents - Receivables Purchase Agreement".

### Features of Purchased Receivables

The following is a summary of certain features of the Purchased Receivables as at 31 December 2011 and investors should refer to, and carefully consider, further details in respect of the Receivables set out in "The Provisional Receivables Pool".

Type of Receivable	<i>Auto loan</i>
Number of Receivables	52,523
Initial Aggregate Principal Value	£361,745,070.39
Average Original Amount Financed	£11,189.65
Financed Vehicles - New	2,458
Financed Vehicles - Used	50,065
Receivables Agreement Type – Hire Purchase	51,755
Receivables Agreement Type – Hire Purchase with Ballon	768
Weighted Average Effective Rate	14.84%
Weighted Average Original Rentals	50
Weighted Average Remaining Term	44



Average Current Balance	£6,887.36
Weighted Average Original LTV	84.48%
Weighted Average Seasoning	6

**Consideration**

Consideration payable by the Issuer in respect of the sale of the Purchased Receivables shall be equal to the Aggregate Cut-Off Date Principal Balance and the deferred consideration (the "**Deferred Purchase Price**").

**Representations and Warranties**

The Seller will make certain Warranties regarding the Receivables and Ancillary Rights to the Issuer and the Trustee on the Closing Date.

In addition to representations and warranties in respect of the legal nature of the Receivables and their Ancillary Rights (e.g. the valid, binding and enforceable nature of the relevant Receivable and the Ancillary Rights), there are also asset Warranties including, without limitation, the following:

- the relevant Financing Contract is denominated in Pounds Sterling;
- the related Financing Contract relates to the financing of the purchase of a single motor vehicle;
- the Receivable must have a positive net present value;
- the Receivable was not overdue for an amount greater than £70 at the Cut-Off Date;
- the current repayment period under the related Financing Contract varies between 12 and 61 months;
- the related Financing Contract has been entered into exclusively with an Obligor which, if it is a corporate entity has its registered office in England, Wales or Scotland, or, if it is an individual has its place of residence in England or Wales or Scotland;
- the status and enforceability of the Receivable is not impaired due to warranty claims or any other rights of the Obligor (even if the Issuer knew or could have known on the Cut-Off Date of the existence of such defences or rights);
- FRB London has not done anything that would cause such Receivable to be invalid or irrevocable under the Consumer Credit Act 1974 (as amended).
- FRB London has originated the Receivable pursuant to a Financing Contract (a) in the form of a Standard Form Contract or (b) in any revised or substitute form which is in accordance with the Customary Operating Practices or as otherwise agreed with the Issuer and the Trustee (acting reasonably);
- the total outstanding amount of Purchased Receivables assigned pursuant to the Receivables Purchase Agreement resulting from relevant Financing Contracts with one and the same Obligor will not exceed £65,241.49.

See the section entitled "*Summary of Principal Transaction Documents - Receivables Purchase Agreement*" for further information.

**Repurchase of the Receivables:**

The Issuer shall offer to sell and the Seller shall repurchase the relevant Purchased Receivables upon breach of Warranties (which are either not capable of remedy or if the Seller failed to remedy the relevant breach until the end of the Monthly Period which includes the thirtieth (30th) day after the date that the Seller became aware or was notified of such breach to cure

or correct such breach (the "**Cure Period**").

**Consideration for repurchase:** The consideration payable by the Seller in respect of a repurchase of a Purchased Receivable shall be equal to the Principal Balance of such Purchased Receivables as of the relevant Repurchase Date (the "**Repurchase Amount**").

**Perfection Events:** Transfer of the legal title to the relevant Purchased Receivables will be completed on the occurrence of certain Notification Events, which include insolvency of the Seller or Servicer and failure to repurchase a Non-Conforming Receivable.

See "*Perfection Event*" in the section entitled "*Triggers Tables - Non-rating Triggers Table*".

Prior to the completion of the transfer of legal title to the relevant Purchased Receivables, the Issuer will hold only the equitable title to those Purchased Receivables and will therefore be subject to certain risks as set out in the risk factor entitled "*Equitable Assignment*" in the Risk Factors section.

**Servicing of the Purchased Receivables:** The Servicer will be appointed by the Issuer (and, in certain circumstances, the Trustee) to service the Purchased Receivables on a day-to-day basis. The appointment of the Servicer may be terminated by the Issuer, with the consent of the Trustee, or by the Trustee upon the occurrence of any of the following events (the "**Servicer Replacement Events**):

- (a) any delay or failure (and such failure is (if capable of remedy) not remedied within three Business Days of notice of such failure being given) by the Servicer to duly observe or perform in any material respect any of its covenants or agreements which delay or failure materially and adversely affects the rights of the Issuer, the Trustee or the Noteholders, provided that such delay or failure of performance will not constitute a Servicer Replacement Event for a period of 150 days if such delay or failure was caused by an event beyond the reasonable control of the Servicer, an act of God or other similar occurrence; or
- (b) the Servicer suffers an Insolvency Event.

The Servicer may also resign upon giving not less than six months notice to the Issuer and the Trustee provided that:

- (a) the Trustee and the Issuer consent in writing to such termination;
- (b) the Back-up Servicer has replaced the Servicer or another successor servicer has been appointed; and
- (c) notice in writing as to the replacement of the Servicer has been given to all Obligor.

**Delegation:** The Servicer may delegate some of its servicing functions to a third party provided that the Servicer remains responsible for the performance of any functions so delegated. See the section "*Summary of the Principal Transaction Documents - Servicing Agreement*" for further information.

## SUMMARY OF THE TERMS AND CONDITIONS OF THE NOTES

Please refer to section entitled "Terms and Conditions of the Notes" for further detail in respect of the terms of the Notes.

### FULL CAPITAL STRUCTURE OF THE NOTES

	Class A Notes	Class B Notes	Class C Notes	Class D Notes
Currency	£	£	£	£
Principal Amount	255,000,000	38,000,000	21,617,000	5,130,000
Rating Agencies	Moody's Fitch	Moody's Fitch	N/A	N/A
Anticipated ratings	Aaa (sf) by Moody's AAAsf by Fitch	A1 (sf) by Moody's Asf by Fitch	No Rating	No Rating
Note Credit Enhancement	Subordination of Class B, C and D Notes; Cash Reserve Account	Subordination of Class C and D Notes; Cash Reserve Account	Subordination of Class D Notes; Cash Reserve Account	N/A
Reserve Credit Enhancement	Cash Reserve Account.	Cash Reserve Account.	Cash Reserve Account.	N/A
Issue Price	100%	100%	100%	100%
Interest Rate/Reference Rate	1 Month Sterling LIBOR + Margin	5.5 % per annum	15 % per annum	20 % per annum
Relevant Margin	1.40 % per annum	N/A	N/A	N/A
Interest Accrual Method	Actual/365	Actual/365	Actual/365	Actual/365
Interest Determination Dates	<b>"LIBOR Determination Date"</b> means, in respect of the first Interest Period, the Closing Date and, in respect of each subsequent Interest Period, the Payment Date on which the relevant Interest Period commences.			
Payment Dates	Interest will be payable monthly in arrears on the Payment Date falling on or around the 20 <sup>th</sup> of each calendar month in each calendar year, commencing on the first Payment Date.			
Business Day Convention	Modified Following	Modified Following	Modified Following	Modified Following
First Payment Date	21 May 2012	21 May 2012	21 May 2012	21 May 2012
First Interest Period	The period commencing on (and including) the Closing Date and ending on (but excluding) the Payment Date falling on 21 May 2012.			
Pre-Enforcement Redemption profile	Sequential pass-through redemption (Class A Notes, then Class B Notes, Class C Notes and Class D Notes) in accordance with the Pre-Enforcement Order of Priority. Please refer to Condition 8 ( <i>Payments</i> ).			
Post-Enforcement Redemption profile	Pass through redemption in accordance with the Post-Enforcement Order of Priority. Please refer to Condition 11 ( <i>Enforcement</i> ).			
Call Option	10% clean up call. Funds available on the date fixed for redemption to satisfy all of the obligations of the Issuer under the Trust Deed, the Notes and any other liability of the Issuer ranking senior thereto or <i>pari passu</i> therewith pursuant to the Pre-Enforcement Order of Priority on such date.			

Other Early Redemption in Full Events	Tax call. Please refer to Condition 7.3 ( <i>Optional Redemption in Whole</i> ).			
Final Maturity Date	The Payment Date falling in February 2019	The Payment Date falling in February 2019	The Payment Date falling in February 2019	The Payment Date falling in February 2019
Form of the Notes	Bearer Global Notes	Bearer Global Notes	Bearer Global Notes	Bearer Global Notes
Application for Listing	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange
Reg S ISIN	XS0757471528	XS0757484265	XS0757489819	XS0757497325
Reg S Common Code	075747152	075748426	075748981	075749732
Clearance/ Settlement	Euroclear/ Clearstream, Luxembourg	Euroclear/ Clearstream, Luxembourg	Euroclear/ Clearstream, Luxembourg	Euroclear/ Clearstream, Luxembourg
Minimum Denomination	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof
Regulation	Regulation S	Regulation S	Regulation S	Regulation S
Retained Amount	Randomly selected Receivables with an aggregate Principal Balance equal to at least 5% of the Principal Balance of the Purchased Receivables as at the Purchase Date where such retained Receivables would otherwise have been securitised in the securitisation.			
<b>Ranking</b>	<p>The Notes within each Class will rank <i>pari passu</i> and rateably without any preference or priority among themselves as to payments of interest and principal at all times.</p> <p>Payment of interest on the Class A Notes will rank senior to payments of interest on the other Classes of Notes.</p> <p>Payment of interest on the Class B Notes will rank senior to payments of interest on the Class C Notes and the Class D Notes.</p> <p>Payment of interest on the Class C Notes will rank senior to payments of interest on the Class D Notes.</p> <p>Payment of principal on the Class A Notes will rank senior to payments of principal on the other Classes of Notes.</p> <p>Payment of principal on the Class B Notes will rank senior to payments of</p>			

principal on the Class C Notes and the Class D Notes.

Payment of principal on the Class C Notes will rank senior to payments of principal on the Class D Notes.

The Most Senior Class Outstanding is:

- (a) the Class A Notes whilst they remain outstanding; and
- (b) thereafter the Class B Notes whilst they remain outstanding; and
- (c) thereafter the Class C Notes whilst they remain outstanding; and
- (d) thereafter the Class D Notes whilst they remain outstanding.

See Condition 6 (*Interest*) and Condition 8 (*Payments*) for further information.

## **Issuer Security**

The Notes are secured and share the same Issuer Security with the other Secured Obligations of the Issuer as set out in the Deed of Charge and the Assignment in Security as described in further detail in Condition 4 (*Security*).

The Issuer Security granted by the Issuer pursuant to the Deed of Charge includes:

- (a) an assignment by way of first fixed security of the benefit of all of its present and future right, title and interest to, in and under the Purchased Receivables;
- (b) an assignment by way of first fixed security of the benefit of all of its present and future right, title and interest to, in and under:
  - the Charged Transaction Documents;
  - each other contract, agreement, deed (other than the Trust Deed) and document, present and future, to which the Issuer is or becomes a party, including, without limitation, all rights to receive payment of any amounts which may become payable to the Issuer thereunder and all payments received by the Issuer thereunder from time to time, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof;
- (c) first fixed security over the benefit of all of its present and future right, title and interest to, in and under any Permitted Investment;
- (d) a first fixed charge over the benefit of each account of the Issuer, other than any such accounts situated outside England and Wales (and any replacement therefor), and all of its other book debts, present and future, the proceeds of the same and all other moneys due and payable to it and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the foregoing; and
- (e) a first floating charge over the whole of the Issuer's undertaking and all the Issuer's property, assets and rights whatsoever and wheresoever present and future including, without limitation, the Issuer's uncalled capital except to the extent otherwise charged or secured under the Deed of Charge (but excepting from such exclusion the whole of the Issuer's undertaking, property, assets and rights situated in Scotland or otherwise governed by Scots law, all of which are charged by the floating charge thereby created).

In addition, as continuing security for the payment or discharge of the Secured Obligations, the Issuer will grant the Assignment in Security in

favour of the Trustee, for itself and on trust for the Transaction Creditors.

Some of the other Secured Obligations rank senior to the Issuer's obligations under the Notes in respect of the allocation of proceeds as set out in the Post-Enforcement Order of Priority.

See also the following risk factor under "*Risks Relating to the Insolvency of the Issuer – Recharacterisation of fixed security interest*".

**Interest Provisions**

Please refer to "*Full Capital Structure of the Notes*" as set out above and Condition 6 (*Interest*).

**Interest Deferral**

To the extent that, on any Payment Date, the Issuer does not have sufficient funds to pay in full interest on the Notes other than the Most Senior Class Outstanding, this payment may be deferred in accordance with Condition 6.3.

Interest will not accrue on any deferred Accrued Interest irrespective of the period for which it remains outstanding.

Payment of the shortfall representing deferred Accrued Interest will be deferred until the first Payment Date on which the Issuer has sufficient funds provided that the payment of such shortfall shall not be deferred beyond the Final Maturity Date or any other date on which the Notes are to be redeemed in full. On such date, any amount which has not by then been paid in full shall become due and payable.

See also the risk factor "*Liability and Limited Recourse under the Notes*".

**Gross-up**

None of the Issuer or any Agent will be obliged to gross-up if there is any withholding or deduction in respect of the Notes on account of taxes.

All payments of principal and interest in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the United Kingdom or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall have no obligation to pay any additional amount. However, see Condition 7.3 (*Optional Redemption in Whole*) for a description of the Issuer's right to redeem the Notes on the occurrence of certain tax-related events, including the imposition of United Kingdom withholding tax on payments in respect of the Notes.

**Redemption**

The Notes are subject to the following optional or mandatory redemption events:

- mandatory redemption in whole on the Final Maturity Date, as fully set out in Condition 7.1 (*Final Redemption*);
- mandatory partial redemption in part on any Payment Date commencing on 21 May 2012 subject to availability of Available Principal Distribution Amount on the basis of the sequential pass through of available funds, as fully set out in Condition 7.4 (*Mandatory Redemption in Part*);
- optional redemption exercisable by the Issuer in whole (but not in part) when the Aggregate Principal Balance of the Purchased Receivables is less than 10 per cent. of the Aggregate Cut-Off Date Principal Balance of the Purchased Receivables, as fully set out in Condition 7.3 (*Optional Redemption in Whole*); and
- optional redemption exercisable by the Issuer in whole (but not in part) for tax reasons, as fully set out in Condition 7.3 (*Optional Redemption in Whole*).

Subject to the Issuer having sufficient funds available for this purpose, any Note redeemed pursuant to the above redemption provisions will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed together with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Note up to (but excluding) the date of redemption.

**Enforcement Events**

As fully set out in Condition 10 (*Enforcement Events*), which broadly includes (where relevant subject to the applicable grace period):

- (a) non-payment by the Issuer of principal or interest (other than (i) any interest which falls to be deferred pursuant to Condition 6.3 (*Interest - Payment Dates and Interest Periods*)) in respect of the Notes (excluding the Most Senior Class Outstanding), or (ii) any principal which falls to be deferred pursuant to Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*)) in respect of the Notes within two Business Days after the due date for payment thereof;
- (b) breach of contractual obligations by the Issuer under the Notes, the Conditions or any Transaction Document where such failure (i) is, in the opinion of the Trustee, incapable of remedy or (ii) continues unremedied for a period of 30 days or such longer period as the Trustee may agree after the Trustee has given written notice thereof to the Issuer;
- (c) an Insolvency Event occurs with respect to the Issuer; or
- (d) it is or will become unlawful for the Issuer to perform or comply with its obligations.

Insolvency Events include, among other things, situations where:

- (a) the Issuer is or becomes or is declared to be insolvent or unable to pay its debts or suspends or threatens to suspend making payments (whether of principal or interest) with respect to all or any class of its debts;
- (b) the value of the assets of the Issuer is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;
- (c) a moratorium is declared in respect of any indebtedness of the Issuer;
- (d) the commencement of negotiations with one or more creditors of the Issuer with a view to a general readjustment, rescheduling or deferral of any indebtedness of such company or proposal to commence such negotiations.

**Enforcement**

If an Enforcement Event has occurred and is continuing, the Trustee may, and shall, if so requested (i) in writing by the holders of at least 25 per cent. of the Principal Amount Outstanding of the Most Senior Class Outstanding; or (ii) by an Extraordinary Resolution of the Noteholders of the Most Senior Class Outstanding (but only if it has been indemnified and/or secured and/or prefunded to its satisfaction) deliver an Enforcement Notice and institute such proceedings as may be required in order to enforce the Issuer Security.

**Limited Recourse**

The Notes are limited recourse obligations of the Issuer, and, if not repaid in full, amounts outstanding are subject to a final write-off, which is described in more detail in Condition 3 (*Status and Ranking of the Notes*) and Condition 10.5 (*Limited Recourse*).

**Non petition**

Only the Trustee shall be entitled to petition or take any other step for the winding up or the administration of the Issuer or for the enforcement of the

assets constituting the Issuer Security. Please see Condition 10.6  
(*Limitation on Action*).

**Governing Law**

English law.



## RIGHTS OF NOTEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS

Please refer to section entitled "Terms and Conditions of the Notes" for further detail in respect of the rights of Noteholders, conditions for exercising such rights and relationship with other Secured Creditors.

**Prior to an Enforcement Event** Noteholders holding no less than 10% of the aggregate Principal Amount Outstanding of the Notes of the relevant Class or Classes then outstanding are entitled to convene a Noteholders' meeting of such Class or Classes. Noteholders can also participate in a Noteholders' meeting convened by the Issuer or Trustee to consider any matter affecting their interests.

**Following an Enforcement Event** If an Enforcement Events occurs and is continuing, the holders of the Most Senior Class Outstanding may, if they hold at least 25 per cent. of the Principal Amount Outstanding of the Most Senior Class Outstanding or if they pass an Extraordinary Resolution, direct the Trustee to give an Enforcement Notice to the Issuer pursuant to which each Class of Notes shall become immediately due and repayable at their respective Principal Amount Outstanding together with any accrued interest, subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction.

### Noteholders Meeting provisions

	<i>Initial meeting</i>	<i>Adjourned meeting</i>
Notice period:	21 clear days	Not less than 10 clear days
Quorum for ordinary resolutions:	Two or more persons holding or representing at least 10 per cent. of the Principal Amount Outstanding of the relevant class then outstanding for the initial meeting.	At an adjourned meeting, two or more persons holding or representing whatever percentage of the aggregate Principal Amount Outstanding of the Notes of the relevant class then outstanding
Quorum for Extraordinary Resolutions:	Two or more persons holding or representing over 50 per cent. of the Principal Amount Outstanding of the relevant class then outstanding for the initial meeting, (other than a Basic Terms Modification, which requires two or more persons holding or representing in aggregate not less than 75 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding).	At an adjourned meeting, two or more persons holding or representing whatever percentage of the aggregate Principal Amount Outstanding of the Notes of the relevant class then outstanding (other than a Basic Terms Modification, which requires one or more persons holding or representing not less than 33.33 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding).
Required majority for ordinary resolutions:	Not less than 50.1 per cent. of the persons voting at the meeting upon a show of hands or, if a poll is demanded, not less than 50.1 per cent. of the votes cast on such	Not less than 50.1 per cent. of the persons voting at the meeting upon a show of hands or, if a poll is demanded, not less than 50.1 per cent. of the votes cast on such poll.

poll.

Required majority for Extraordinary Resolutions:	Not less than 75 per cent. of the persons voting at the meeting upon a show of hands or, if a poll is demanded, not less than 75 per cent. of the votes cast on such poll.	Not less than 75 per cent. of the persons voting at the meeting upon a show of hands or, if a poll is demanded, not less than 75 per cent. of the votes cast on such poll.
Written Resolution:	All Noteholders of the relevant class who for the time being are entitled to receive notice of a meeting. A Written Resolution has the same effect as an Extraordinary Resolution (as applicable).	

**Matters requiring Extraordinary Resolution**

Broadly speaking, an Extraordinary Resolution has the power to approve the following matters:

- Basic Terms Modification;
- a modification of the Transaction Documents that is subject to approval at a meeting of Noteholders;
- a change of Trustee.

**Basic Terms Modification:**

Broadly speaking, any amendment to the following matters would be a Basic Terms Modification which requires an Extraordinary Resolution of each Class of Notes:

- (a) altering the Priority of Payments;
- (b) altering the date of maturity of the Notes of the relevant Class;
- (c) a modification which would have the effect of changing any day for payment of interest or any other distributions (as the case may be) in respect of such Notes;
- (d) changing the amount of principal or any other distributions (as the case may be) payable in respect of such Notes;
- (e) the alteration of the Class A Notes Interest Rate, the Class B Notes Interest Rate, the Class C Notes Interest Rate or the Class D Notes Interest Rate;
- (f) the alteration of the majority or quorum required to pass an Extraordinary Resolution;
- (g) the alteration of the currency of payment of such Notes; or
- (h) any alteration of the definition of Basic Terms Modification.

**Relationship between Classes of Noteholders**

Subject to the provisions governing a Basic Terms Modification, a resolution of Noteholders of the Most Senior Class Outstanding shall be binding on all other Classes and would override any resolutions to the contrary by them.

A Basic Terms Modification requires an Extraordinary Resolution of each Class of Notes then outstanding.

An Extraordinary Resolution of any class of Noteholders in relation to a Basic Terms Modification shall not be effective unless it is sanctioned by: (i) an Extraordinary Resolution of Noteholders of each other class of Notes and (ii) only in relation to any proposed amendment to the Priority of Payments the effect of which is to make the Issuer's obligations to the Swap Counterparty further contractually subordinated to the Issuer's obligation to any other Transaction Creditor, the Swap Counterparty.

**Originator/Seller as Noteholder**

Until such time as the Class A Notes have been repaid in full and the remaining Notes are held in their entirety by FRB London or members of the FRB Group, neither FRB London nor any of its subsidiaries or holding

companies shall be entitled to vote at any meeting in respect of Notes held by it for its benefit.

**Relationship between Noteholders and other Transaction Creditors**

So long as any Notes are outstanding and there is a conflict between the interests of the Noteholders and the other Transaction Creditors, the Trustee will take into account the interests of the Noteholders only in the exercise of its discretion.

**Provision of Information to the Noteholders**

Information in respect of the underlying Purchased Receivables will be provided to the investors on an ongoing basis. See the section entitled "*General Information*" for further information.

The Cash Manager will further provide an investor report on a monthly basis containing information in relation to the Notes, including, but not limited to, ratings of the Notes, amounts paid by the Issuer pursuant to the Priorities of Payments in respect of the relevant period and required counterparty information.

**Communication with Noteholders**

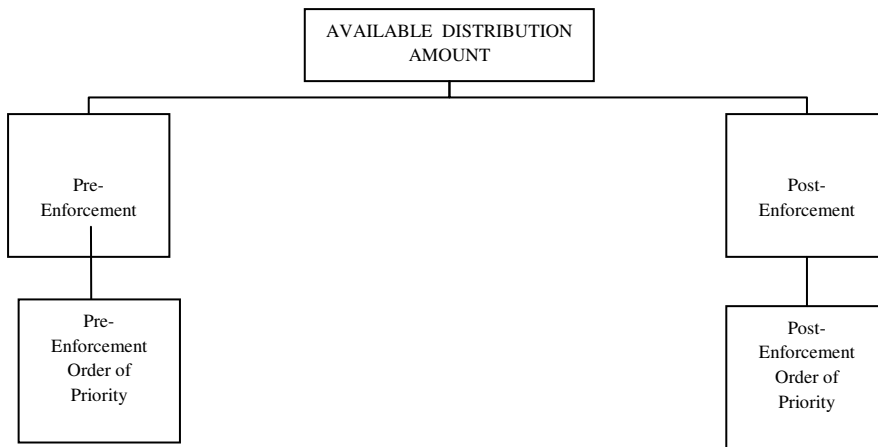
Any notice to be given by the Issuer or Trustee to Noteholders shall be given in the following manner:

- so long as the Notes are held in the Clearing Systems, by delivery to the relevant Clearing System for communication by it to Noteholders; and
- so long as the Notes are listed on the a recognised stock exchange, by delivery in accordance with the notice requirements of that exchange.

A copy of each notice given in accordance with Condition 17 (*Notices to Noteholders*) will be provided to Rating Agencies, the Swap Counterparty and, for so long as the Notes are listed on the Irish Stock Exchange and the guidelines of the Irish Stock Exchange so require, the Irish Stock Exchange.

## CREDIT STRUCTURE AND CASHFLOW

*Please refer to the Terms and Conditions of the Notes for further detail in respect of the credit structure and cash flow of the transaction.*



**Available  
Distribution  
Amount:**

The Issuer expects to have Available Distribution Amount for the purposes of making interest and principal payments under the Notes and the other Transaction Documents.

The "**Available Distribution Amount**" in respect of a Payment Date, means the amount calculated on the relevant Calculation Date being the sum of the following amounts:

- (i) in the case of the first Payment Date falling in 21 May 2012, the Collections received from the Cut-Off Date until 30 April 2012 (inclusive) and, for all subsequent Payment Dates, the Collections received for the calendar month immediately prior to each Payment Date (the "**Monthly Period**") (or, in the event payment of principal is deferred pursuant to Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*), the Collections received for the Monthly Period immediately preceding the Servicing Report Delivery Failure and each subsequent Monthly Period up to and including the Monthly Period immediately preceding the relevant Payment Date); plus
- (ii) any amounts standing to the credit of the Cash Reserve Account on the relevant Calculation Date; plus
- (iii) net investment earnings from Permitted Investments as calculated on the relevant Calculation Date; plus
- (iv) any amounts standing to the credit of the Issuer Account on the relevant Calculation Date which represent interest accrued on such account; plus
- (v) the Net Swap Receipts under the Swap Agreement to be received on the relevant Payment Date; plus
- (vi) in the case of the first Payment Date falling in 21 May 2012, any VAT Adjustment Amounts received from the Cut-Off Date until 30 April 2012 (inclusive) and, for all subsequent Payment Dates, any VAT Adjustment Amount received for the immediately preceding Monthly Period (or, in the event payment of principal is deferred pursuant to Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*), any VAT Adjustment Amount received for the Monthly Period immediately preceding the Servicing Report Delivery Failure and each subsequent Monthly Period up to and including the Monthly Period immediately preceding the relevant Payment Date);

*less:*

where the payment of principal has been deferred pursuant to Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*), any amounts received by the Issuer that have been applied by the Cash Manager towards payment of interest on the Most Senior Class Outstanding and any other amount ranking in priority thereto in accordance with the provisions of Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*) within the period of such principal repayment deferral.

**Principal  
Payment  
Amount:**

The "**Class A Principal Payment Amount**" means, as at each Calculation Date, an amount equal to the lesser of (a) the Principal Amortisation Amount and (b) the then Principal Amount Outstanding of the Class A Notes.

The "**Class B Principal Payment Amount**" means, as at each Calculation Date, an amount equal to the lesser of (a) the Principal Amortisation Amount less (x) any Class A Principal Payment Amounts to be paid on the immediately following Payment Date and (y) any amount payable under item (xii) of the Pre-Enforcement Order of Priority and (b) the then Principal Amount Outstanding of the Class B Notes.

The "**Class C Principal Payment Amount**" means, as at each Calculation Date, an amount equal to the lesser of (a) the Principal Amortisation Amount less (x) any Class A Principal Payment Amounts and Class B Principal Payment Amounts to be paid on the immediately following Payment Date and (y) any amounts payable under items (xii) and (xiv) of the Pre-Enforcement Order of Priority and (b) the then Principal Amount

Outstanding of the Class C Notes.

**Principal Amortisation Amount:**

On each Calculation Date, the Cash Manager will calculate the Principal Amortisation Amount in respect of the immediately following Payment Date.

"**Principal Amortisation Amount**" means the lower of:

- (i) the Available Distribution Amount as at the Calculation Date immediately preceding the relevant Payment Date less, to the extent the Pre-Enforcement Order of Priority applies, all amounts falling due and payable under items (i) to (x) as the case may be of the Pre-Enforcement Order of Priority on such Payment Date; and
- (ii) the greater of (i) zero and (ii) the Expected Amortisation Amount.

**Expected Amortisation Amount:**

The "**Expected Amortisation Amount**" means, as calculated on each Calculation Date, the difference, if positive, between the aggregate Principal Amount Outstanding of all Notes as at that Calculation Date and the aggregate of (a) the Performing Principal Outstanding Amount of the Loans as calculated on the relevant Calculation Date and (b) the Specified Cash Reserve Account Required Balance applicable to the immediately following Payment Date.

The "**Performing Principal Outstanding Amount of the Loans**" means, as calculated on each Calculation Date, the Aggregate Principal Balance of all Purchased Receivables less the Month-end Aggregate Defaulted Receivables, in each case as at the end of the Monthly Period immediately preceding the relevant Calculation Date.

The "**Month-end Aggregate Defaulted Receivables**" means, as calculated on each Calculation Date, the Aggregate Principal Balance of all Purchased Receivables that (i) have become Defaulted Receivables since the Cut-Off Date and (ii) remain Defaulted Receivables as at the end of the Monthly Period immediately preceding the relevant Calculation Date.

**Summary of Priorities of Payments**

Below is a summary of the relevant payment priorities. For the purposes of the below summary, "trigger" shall refer to the Class B Note Trigger and the Class C Note Trigger in the Non-Rating Triggers Table below.

Full details of the Pre-Enforcement Order of Priority are set out in Condition 8.8 (*Pre-Enforcement Order of Priority*).

Full details of the Post-Enforcement Order of Priority are set out in Condition 11.3 (*Post-Enforcement Order of Priority*).

<u>Pre-Enforcement Order of Priority:</u>	<u>Post-Enforcement Order of Priority:</u>
1. Taxes payable by the Issuer	1. Receiver and Trustee fees
2. Trustee fees	2. Payments to other Transaction Parties and Administrator Recovery Incentive.
3. Payments to other Transaction Parties, Rating Agencies and ICSDs and Administrator Recovery Incentive.	3. Payments to Rating Agencies and ICSDs
4. Issuer's administration costs and expenses	4. Issuer's administration costs and expenses
5. Account Bank's fees	5. Payments due to Swap Counterparty other than Subordinated Termination Payments
6. Payments due to Swap Counterparty other than Subordinated Termination Payments	6. Interest and Principal Amount Outstanding of Class A Notes
7. Class A interest	7. Interest and Principal Amount Outstanding of Class B Notes
8. If Class B Note Trigger not breached, Class B interest	8. Interest and Principal Amount Outstanding of Class C Notes
9. If Class C Note Trigger not breached, Class C interest	9. Swap Counterparty's Subordinated

10. Replenish Cash Reserve Account	Termination Payments
11. Class A Principal Payment Amount	10. Interest and Principal Amount Outstanding of Class D Notes
12. If Class B Note Trigger breached, Class B interest	11. Issuer Retained Profit
13. Class B Principal Payment Amount	12. Deferred Purchase Price to Seller
14. If Class C Note Trigger breached, Class C interest	
15. Class C Principal Payment Amount	
16. Swap Counterparty's Subordinated Termination Payments	
17. Class D interest	
18. On the earlier of Final Maturity Date or date when Principal Amount Outstanding of Senior Notes is zero or an optional redemption in whole, Principal Amount Outstanding of Class D Notes	
19. Issuer Retained Profit	
20. Deferred Purchase Price to Seller	

**General Credit Structure**

The general credit structure of the transaction includes, broadly speaking, the following elements:

*(a) Credit and Liquidity Support:*

1. Availability of monies in the Cash Reserve Account, funded from the proceeds of the issue of the Notes on the Closing Date in an amount of £5,130,000 (the "**Initial Cash Reserve Amount**"), corresponding to 1.63% of the Aggregate Cut-Off Date Principal Balance, which will be replenished on each Payment Date up to the Specified Cash Reserve Account Required Balance. Any balance on the Cash Reserve Account from time to time will form part of the Available Distribution Amount. The monies in the Cash Reserve Account may be used by the Issuer to cover any shortfalls.

The Specified Cash Reserve Account Required Balance will be equal to:

(a) on each Calculation Date prior to the earlier of (x) the redemption in full of the Senior Notes or (y) the Payment Date on which the Principal Amount Outstanding of the Senior Notes becomes equal to or less than the balance standing to the credit of the Cash Reserve Account immediately prior to such Payment Date:

(i) in the event all Performance Criteria are satisfied as at the immediately preceding Calculation Date, the greater of:

A. either:

x) prior to the occurrence of a Servicer Downgrade Event, 1.63 per cent. of the Aggregate Principal Balance as at the end of the immediately preceding Monthly Period; or

y) following the occurrence of a Servicer Downgrade Event, 3 per cent. of the Aggregate Principal Balance as at the end of the immediately preceding Monthly Period; and

B. 0.5 per cent. of the Aggregate Cut-Off Date Principal Balance; or

(ii) in the event any Performance Criteria is not satisfied as at the immediately preceding Calculation Date, an amount equivalent to the

Specified Cash Reserve Account Required Balance applicable to the immediately preceding Payment Date; or

b) on each Calculation Date following the earlier of (x) the redemption in full of the Senior Notes or (y) the Payment Date on which the Principal Amount Outstanding of the Senior Notes becomes equal to or less than the balance standing to the credit of the Cash Reserve Account immediately prior to such Payment Date, zero.

2. junior Classes of Notes will be subordinated to more senior Classes of Notes, thereby ensuring that available funds are applied to the Most Senior Class Outstanding in priority to more junior Classes of Notes.

See the Terms and Conditions of the Notes.

(b) *Hedging:*

3. availability of an interest rate swap provided by the Swap Counterparty to hedge against the possible variance between the interest rates payable in respect of the Purchased Receivables and the LIBOR based interest payable in respect of the Class A Notes. See the section entitled "*Summary of the Principal Transaction Documents - Swap Agreement*";

**Performance Criteria:**

The Performance Criteria to be satisfied on each Calculation Date are as follows:

- (a) on such Calculation Date, the amount standing to the credit of the Cash Reserve Account after the Available Distribution Amount was applied pursuant to the Pre-Enforcement Order of Priority on the immediately preceding Payment Date is equivalent to the Specified Cash Reserve Account Required Balance applicable to that immediately preceding Payment Date;
- (b) on such Calculation Date, the Cumulative Net Default Ratio (as defined below) is less than 5.00 per cent.; and
- (c) on such Calculation Date, the Delinquency Ratio (as defined below) is less than 5.00 per cent.

**Cumulative Net Default Ratio:**

The Cumulative Net Default Ratio means, as calculated on any Calculation Date, the ratio, expressed as a percentage (rounded downwards to two decimal places) of:

- (a) the Principal Loss as at the end of the Monthly Period immediately preceding such Calculation Date;
- to
- (b) the Aggregate Cut-Off Date Principal Balance.

**Delinquency Ratio:**

The Delinquency Ratio means, as calculated on any Calculation Date, the ratio, expressed as a percentage (rounded downwards to two decimal places) of:

- (a) the aggregate Principal Balance of each Delinquent Receivable as at the end of the Monthly Period immediately preceding such Calculation Date;
- to
- (b) the Performing Principal Outstanding Amount of the Loans as calculated on such Calculation Date.

**Principal Loss:**

The Principal Loss means, as at a relevant date:

- (a) the aggregate of:
  - (i) the Principal Balance of each Purchased Receivable that has become a Defaulted Receivable (as determined at the point at which such Purchased Receivable became a Defaulted Receivable); and
  - (ii) the portion remaining unpaid by an Obligor of the Principal Balance of each Purchased Receivable where a Voluntary Termination has been exercised (as determined at the point at which such Voluntary Termination is exercised),



in each case, since the Cut-Off Date, less

- (b) any amounts received as a result of recovery procedures carried out by the Servicer in relation to Defaulted Receivables and Voluntary Terminations for the same period.

**Bank Accounts and Cash Management**

The Collections are received by the Seller in the Collection Accounts. Interest and principal payments are received throughout the month with a certain concentration on the first day of the month.

On or about the Closing Date the Seller will declare the Collection Accounts Declaration of Trust in favour of the Issuer over monies standing to the credit of the Collection Accounts which are attributable to Collections relating to Purchased Receivables.

Weekly, at the close of each Transfer Date, the Servicer will transfer the Collections received in the Collection Accounts to the Issuer Account. On each Payment Date, monies in the Issuer Account will be applied by the Cash Manager in accordance with the relevant Priority of Payments.

The Servicer is also required to submit to the Issuer, the Trustee and the Cash Manager a monthly report (the "**Servicing Report**") on the 10th day of each calendar month (or if this is not a Business Day, on the next succeeding Business Day) following the provision of the first Servicing Report on 10 May 2012 (the "**Servicing Report Performance Date**") on certain matters relating to the Purchased Receivables for the period from the last date covered by the previous Servicing Report.

In the event that the Cash Manager does not receive, or there is a delay in the receipt of, some or all the information necessary for it to prepare the Investor Report in respect of any Calculation Date (a "**Servicing Report Delivery Failure**") but the Cash Manager determines that the amounts standing to the credit of the Issuer Account and the Cash Reserve Account are sufficient to pay the interest due on the Most Senior Class Outstanding and any other amount ranking in priority thereto pursuant to the Pre-Enforcement Order of Priority of which it has been notified, no amounts of principal shall be payable on any class of Notes on such Payment Date or any subsequent Payment Date until the earliest of (i) the Payment Date immediately following the provision of a Servicing Report by the Servicer (or any replacement servicer) on a Servicing Report Performance Date, (ii) the Final Maturity Date or (iii) the delivery of an Enforcement Notice. Interest will continue to accrue on the Principal Amount Outstanding of the Notes deferred pursuant to Condition 7.4 (Redemption and Cancellation - Mandatory Redemption in Part) in accordance with the provisions set out in Condition 6 (Interest).

The Cash Manager will invest amounts standing to the credit of the Issuer Account and the Cash Reserve Account from time to time in Permitted Investments. Prior to the delivery of an Enforcement Notice, the Cash Manager shall invest such amounts at the direction of the Servicer (acting on behalf of the Issuer). Following the delivery of an Enforcement Notice, the Cash Manager shall invest such amounts at the direction of the Trustee. Net investment earnings from deposits in the Issuer Account and the Cash Reserve Account and Permitted Investments related thereto will belong to the Issuer.

**Summary of key Hedging Terms**

The interest rate swap has the following key commercial terms:

- Initial Swap Notional Amount: 255,000,000
- Issuer payment: 0.775%
- Swap Counterparty payment: one month GBP-LIBOR-BBA
- Frequency of payment: monthly, on each Payment Date.

## TRIGGERS TABLES

### Rating Triggers Table

<u>Transaction Party</u>	<u>Required Ratings/Triggers</u>	<u>Possible effects of Trigger being breached include the following</u>
Swap Counterparty (or any guarantor thereof):	<p>(i) the short-term, unsecured and unsubordinated debt or counterparty obligations must be rated at least P-1 and long-term, unsecured and unsubordinated debt obligations must be rated at least A2 by Moody's (or, if the Swap Counterparty (or any guarantor thereof) is not the subject of a short-term rating by Moody's, the long-term, unsecured and unsubordinated debt obligations must be rated at least A1 by Moody's); and (ii) the long-term issuer default rating ("IDR") of the Swap Counterparty (or its successor or assignee) or any guarantor thereof ceases to be rated at least as high as "A" (or its equivalent) by Fitch or, if Fitch has placed such long-term IDR on Rating Watch Negative, at least as high as "A+" (or its equivalent) by Fitch and the short-term IDR of the Swap Counterparty (or its successor or assignee) or any or any guarantor thereof ceases to be rated at least as high as "F1" (or its equivalent) by Fitch or, if Fitch has placed such short-term IDR on Rating Watch Negative, at least as high as "F1+" (or its equivalent) by Fitch.</p> <p>The consequences of the relevant required rating being breached are set out in more detail in "<i>Summary of Principal Documents - Swap Agreement</i>".</p>	<ul style="list-style-type: none"> <li>• collateral posting</li> <li>• guarantee of Swap Counterparty's obligations</li> <li>• replacement of Swap Counterparty</li> <li>• any other remedial action acceptable to Fitch which would maintain the then current rating of the Notes</li> </ul>
Account Bank:	<p>(i) short-term, unsecured, unguaranteed and unsubordinated debt obligations must be rated at least "P-1" by Moody's and "F1" by Fitch with no Rating Watch Negative and (ii) the long-term unsecured, unguaranteed and unsubordinated debt obligations must be rated at least "A1" by Moody's and "A" by Fitch with no Rating Watch Negative, or, in each case, such other short-term or long-term rating which is otherwise acceptable to the relevant Rating Agency.</p> <p>The consequences of the relevant required rating being breached are set out in more detail in "<i>Summary of Principal Documents - Account Agreement</i>".</p> <p>Remedial action is required to be taken by the Issuer within 25 calendar days upon being notified of such event by the Account Bank.</p>	<ul style="list-style-type: none"> <li>• replacement of Account Bank</li> <li>• guarantee of Account Bank's obligations</li> </ul>
Servicer:	<p>the long-term unsecured, unguaranteed and unsubordinated debt obligations must be rated at least BBB- by Fitch or Baa3 by Moody's</p>	<ul style="list-style-type: none"> <li>• deliver to the Issuer copies of the Purchased Receivable Records in respect of the Purchased Receivables outstanding at that time, in a format that the Issuer has confirmed in advance it is</li> </ul>

**Transaction  
Party**

**Required Ratings/Triggers**

**Possible effects of Trigger being  
breached include the following**

able to read; and

- at the same time as providing each Servicing Report, deliver to the Issuer updated copies of the Purchased Receivable Records in respect of the Purchased Receivables outstanding at that time, in a format that the Issuer has confirmed in advance that it is able to read.

The consequences of the relevant required rating being breached are set out in more detail in "*Summary of Principal Documents - Servicing Agreement*".

Action is required to be taken promptly after downgrade.

Servicer:

the short-term, unsecured, unguaranteed and Specified Cash Reserve Account unsubordinated debt obligations must be rated at Required Balance will increase. least F2 by Fitch.

The consequences of the relevant required rating being breached are set out in more detail above, in "*Credit Structure and Cashflow*" - definition of "*Specified Cash Reserve Account Required Balance*".

### **Non-Rating Triggers Table**

#### **Nature of Trigger**

Perfection Events

#### **Description of Trigger**

The occurrence of any of the following Notification Events:

*Non-Payment:* FRB London fails to pay any amount due under any Transaction Documents within three Business Days after the earlier of its becoming aware of such default and its receipt of written notice by or on behalf of the Trustee requiring the same to be remedied;

*Attachment:* all or any part of the property, business, undertakings, assets or revenues of FRB London having an aggregate value in excess of £10 million has been attached as a result of any distress, execution or diligence being levied or any encumbrance taking possession or similar attachment and such attachment has not been lifted within 30 days, unless in any such case the Trustee certifies that in its reasonable opinion such event will not materially prejudice the ability of FRB London to observe or perform its obligations under the Transaction Documents or the enforceability or collectability of the Receivables;

*Insolvency Event:* an Insolvency Event, in respect of the Seller or the Servicer;

*Encumbrance:* FRB London creates or grants any Encumbrance or permits any Encumbrance to arise or purports to create or grant any Encumbrance or purports to permit any Encumbrance to arise (i) over or in relation to (1) any Purchased Receivable; (2) any right, title or interest of the Issuer in relation to a Purchased Receivable or Collections; or (3) any proceeds of or sums received or payable in respect of a Purchased Receivable;

*Dispute:* FRB London disputes, in any manner, the validity or efficacy of any sale and purchase of a Receivable under the Receivables Purchase Agreement and as a result, in the reasonable opinion of the Trustee, there is, or is likely to be, a Material Adverse Effect on

#### **Consequence of Trigger**

Obligors will be notified of the sale of the Purchased Receivables to the Issuer and legal title to the Purchase Receivables will be transferred to the Issuer.

the ability of FRB London to perform its obligations under the Transaction Documents or the enforceability, collectability or origination of the Purchased Receivables is or is likely to be materially prejudiced;

*Illegality:* it becomes impossible or unlawful for FRB London to continue its business and/or discharge its obligations as contemplated by the Transaction Documents and as a result, in the reasonable opinion of the Trustee, there is, or is likely to be, a Material Adverse Effect on the ability of FRB London to perform its obligations under the Transaction Documents or the enforceability, collectability or origination of the Purchased Receivables is or is likely to be materially prejudiced;

*Failure to repurchase:* FRB London fails to (i) repurchase a Non-Conforming Receivable having become obliged to do so pursuant to Clause 9 of the Receivables Purchase Agreement or (ii) pay any amount required pursuant to Clause 10 of the Receivables Purchase Agreement.

*Servicer Replacement Event:* a Servicer Replacement Event.

Servicer Replacement Events

The occurrence of any of the following:

- any delay or failure (and such failure is (if capable of remedy) not remedied within three Business Days of notice of such failure being given) by the Servicer to duly observe or perform in any material respect any of its covenants or agreements which delay or failure materially and adversely affects the rights of the Issuer, the Trustee or the Noteholders, provided that such delay or failure of performance will not constitute a Servicer Replacement Event for a period of 150 days if such delay or failure was caused by an event beyond the reasonable control of the Servicer, an act of God or other similar

Termination of appointment of Servicer.

Back-up Servicer to replace Servicer.

	<p>occurrence; or</p> <ul style="list-style-type: none"> <li>• the Servicer suffers an Insolvency Event.</li> </ul>	
Cash Manager Termination Events	<p>The occurrence of any of the following:</p> <ul style="list-style-type: none"> <li>• the Cash Manager fails to direct the Account Bank to make any payment;</li> <li>• non-compliance with covenants or obligations which, in aggregate, is materially prejudicial to the interests of the Noteholders; or</li> <li>• certain insolvency events in respect of the Cash Manager;</li> <li>• it becomes unlawful for the Cash Manager to perform its obligations; or</li> <li>• an Enforcement Notice is given by the Trustee and the Trustee determines that termination of the Cash Manager's appointment is necessary to protect the interests of the Noteholders.</li> </ul>	Termination of appointment of Cash Manager.
Class B Note Trigger	<p>"Class B Note Trigger" will have been breached on any Payment Date occurring before the Class A Notes have been repaid in full if either:</p> <ul style="list-style-type: none"> <li>a) the Cumulative Net Default Ratio, as at the immediately preceding Calculation Date, expressed as a percentage, is, or on any previous Calculation Date, has been, equal to or higher than 15 per cent.; or</li> <li>b) the Delinquency Ratio, as at the immediately preceding Calculation Date, expressed as a percentage is equal to or higher than 15 per cent.</li> </ul>	If Class B Note Trigger breached, Class B interest will be subordinated to Class A Principal Payment Amount.
Class C Note Trigger	<p>"Class C Note Trigger" will have been breached on any Payment Date occurring before the Class B Notes have been repaid in full if either:</p> <ul style="list-style-type: none"> <li>a) the Cumulative Net Default Ratio, as at the immediately preceding Calculation Date,</li> </ul>	If Class C Note Trigger breached, Class C interest will be subordinated to Class B Principal Payment Amount.

expressed as a percentage,  
is or, on any previous  
Calculation Date, has  
been, equal to or higher  
than 5 per cent.; or

- b) the Delinquency Ratio, as  
at the immediately  
preceding Calculation  
Date, expressed as a  
percentage is equal to or  
higher than 5 per cent.

## FEES

The following table sets out the on-going fees to be paid by the Issuer to the transaction parties.

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
Servicer fees	One-twelfth of the Servicer Fee Rate multiplied by the Aggregate Principal Balance as of the beginning of the preceding Monthly Period.  "Servicer Fee Rate" means 0.1 per cent. per annum.	Ahead of all outstanding Notes.	Monthly on each Payment Date.
Back-up Servicer fees	Before the occurrence of a Servicer Replacement Event:  - Upfront Fee: GBP 63,500 plus VAT  - Annual Stand-by fee: GBP 55,000 plus VAT  After the occurrence of a Servicer Replacement Event:  - Invocation Fee: GBP 42,000 plus VAT  - Annual fee per account: GBP 33.75 plus VAT  - Credit management fee per month per case (delinquent and defaulted accounts): GBP 7.80 plus VAT	Ahead of all outstanding Notes.	As specified.
Cash Manager fees	GBP 7,500 per annum	Ahead of all outstanding Notes.	Per annum.
Other fees and expenses of the Issuer including Trustee and Agents fees	GBP 23,475 per annum GBP 750 on the Closing Date  GBP 85 per interest rate fixing	Ahead of all outstanding Notes.	As specified.
Expenses related to the admission to trading of the Notes	Listing fees - EUR 5,791.20  Listing Agent fees - GBP 5,500	N/A	On the Closing Date.



## RISK FACTORS

THE PURCHASE OF CERTAIN NOTES MAY INVOLVE SUBSTANTIAL RISKS AND BE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN THE NOTES. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES ALL THE INFORMATION SET FORTH IN THIS PROSPECTUS AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW. PROSPECTIVE INVESTORS SHOULD MAKE SUCH INQUIRIES AS THEY DEEM NECESSARY WITHOUT RELYING ON THE ISSUER, ANY JOINT ARRANGER, ANY JOINT BOOKRUNNER OR ANY JOINT LEAD MANAGER.

The following is a summary of certain aspects of the Notes of which prospective investors should be aware. This summary is not intended to be exhaustive and prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

### 1. Historical and Other Information

The historical, financial and other information set out in particular in "DESCRIPTION OF THE PURCHASED RECEIVABLES" and "HISTORICAL PERFORMANCE DATA" is based on the historical experience and present procedures of FRB London. None of the Issuer, the Swap Counterparty, the Joint Arrangers, the Joint Bookrunners, the Joint Lead Managers, the Cash Manager, the Trustee, the Paying Agent nor the Corporate Services Provider has undertaken or will undertake any investigation or review of, or search to verify, the historical information. There can be no assurances as to the future performance of the Purchased Receivables.

### 2. Risk of Late Payment of Monthly Instalments

The risk of late payment by Obligor is in part mitigated by the Cash Reserve Amount to the extent that funds are available in the Cash Reserve Account. The Cash Reserve Amount will only be equal to 1.63% of the Aggregate Cut-Off Date Principal Balance; therefore if Obligor continuously make late payments, the Cash Reserve Amount may eventually be insufficient to enable the Issuer to meet its obligation to pay interest on the Notes.

### 3. Risk of Early Repayment

In the event that the Financing Contracts underlying the Purchased Receivables are prematurely terminated or otherwise settled early, the principal repayment of the Notes may be earlier than expected and, therefore, the yield on the Notes may be adversely affected by a higher or lower than anticipated rate of Prepayment of the Purchased Receivables. The rate of Prepayment of Purchased Receivables cannot be predicted and is influenced by a wide variety of economic and other factors, including prevailing interest rates, the buoyancy of the vehicle finance market, the availability of alternative financing and local and regional economic conditions. Therefore, no assurance can be given as to the level of Prepayment that the Portfolio will experience. See "ESTIMATED WEIGHTED AVERAGE LIFE OF THE NOTES".

### 4. Rights in relation to the Purchased Receivables

Pursuant to the Issuer Security, the Issuer will grant security over its rights in and to the Receivables. The Trustee and the Issuer will rely on the Servicer to enforce any rights under the Financing Contracts and to carry out its obligations under the Servicing Agreement.

FRB London will undertake for the benefit of the Issuer that it will not take any steps in relation to the Financing Contracts otherwise than in accordance with its Customary Operating Practices in order to perform its duties under the Servicing Agreement, and that it will lend its name to, and take such other steps as may be required by the Issuer or the Trustee in relation to, any action (whether through the courts or otherwise) in respect of the Financing Contracts.

Each Financing Contract requires the Obligor to take out and maintain comprehensive vehicle insurance in the Obligor's name. FRB London does not have a registered interest with the insurer although each Obligor assigns the benefit of any insurance proceeds to FRB London pursuant to each Financing Contract. In case of an insurance claim, the Obligor claims from the insurer and then is obliged to pass the proceeds on to FRB London. Where the proceeds in the claim are insufficient to repay in full amounts owed to FRB London by the Obligor under the Financing Contract, FRB London will look to the Obligor to pay the difference. It should be noted that there cannot be certainty that such

insurance has in fact been taken out or maintained or that any proceeds from such insurance will be available to FRB London, the Issuer or the Trustee.

#### **5. Potential Adverse Changes to the Value and/or Composition of the Portfolio**

No assurances can be given that the respective values of the Financed Objects to which the Portfolio relates have not depreciated or will not depreciate at a rate greater than the rate which they were expected to do so on the date of origination of the Receivables. If this has happened or happens in the future, or if the new and used car market in the United Kingdom should experience a downturn, then any such scenario could have an adverse effect on the ability of Obligor to repay amounts under the relevant Financing Contracts and/or the likely amount to be recovered upon a sale of the Financed Objects upon default by Obligor. This in turn could trigger losses in respect of the Notes.

The eligibility criteria have been set as at the Cut-Off Date to operate so as to mitigate this risk. However, no assurances can be given that circumstances in the future will not change such that the composition of the pool of Purchased Receivables at any time in the future may deteriorate in view of the circumstances then subsisting.

#### **6. Economic Downturn**

The UK has experienced a severe economic downturn which, if such economic conditions continue, may adversely affect the performance of the Purchased Receivables. Rising unemployment and continued lack of availability of credit may lead to increased delinquency and default rates by Obligor, as well as decreased consumer demand for motor vehicles and reduced used vehicles prices, which could increase the amount of a loss if Purchased Receivables default. If the economic downturn worsens, or continues for a prolonged period of time, delinquencies and losses on the Purchased Receivables could increase, which could result in losses on the Notes.

#### **7. Eligibility of the Notes for Bank of England's Discount Window Facility**

Certain investors in the Notes may wish to consider the use of the Notes as eligible securities for the purposes of the Bank of England's Discount Window Facility ("**DWF**"). Recognition of the Notes as eligible securities for the purposes of the DWF will depend upon satisfaction of the eligibility criteria as specified by the Bank of England. If the Notes do not satisfy the criteria specified by the Bank of England, there is a risk that the Notes will not be eligible DWF collateral. None of the Issuer, the Joint Arrangers, the Joint Bookrunners nor the Joint Lead Managers give any representation, warranty, confirmation or guarantee to any investor in the Notes that the Notes will, either upon issue, or at any or all times during their life, satisfy all or any requirements for the DWF eligibility and be recognised as eligible DWF collateral. Any potential investors in the Notes should make their own determinations and seek their own advice with respect to whether or not the Notes constitute eligible DWF collateral.

#### **8. Losses on the Purchased Receivables**

The risk for the Class A Noteholders that they will not receive the amount due to them under the Class A Notes as stated on the cover page of this Prospectus is addressed by the credit support provided by the Cash Reserve Amount, by the subordination of the Class B Notes, the Class C Notes and the Class D Notes and by the excess of the Aggregate Principal Balance over the sum of the total principal amounts of the Notes.

The risk for the Class B Noteholders that they will not receive the amount due to them under the Class B Notes as stated on the cover page of this Prospectus is addressed by the credit support provided by the Cash Reserve Amount to the extent the Class A Noteholders are not entitled to such amounts, by the subordination of the Class C Notes and Class D Notes and by the excess of the Aggregate Principal Balance over the sum of the total principal amounts of the Notes.

The risk for the Class C Noteholders that they will not receive the amount due to them under the Class C Notes as stated on the cover page of this Prospectus is addressed by the credit support provided by the Cash Reserve Amount, to the extent the Class A Noteholders and the Class B Noteholders are not entitled to such amounts, by the subordination of the Class D Notes and by the excess of the Aggregate Principal Balance over the sum of the total principal amounts of the Notes.

However, the levels of delayed payment or non-payment in respect of the Purchased Receivables may exceed those assumed for the purposes of determining the credit structure and the sizing of the different components thereof. Accordingly there is no assurance that the Class A Noteholders will receive for each Class A Note the total principal amount plus interest at the Class A Notes Interest Rate nor that

the distributions which are made will correspond to the monthly payments originally agreed upon in the underlying Financing Contracts.

Similarly, there is no assurance that the Class B Noteholders will receive for each Class B Note the total principal amount plus interest at the Class B Notes Interest Rate nor that the distributions which are made will correspond to the monthly payments originally agreed upon in the underlying Financing Contracts.

There is also no assurance that the Class C Noteholders will receive for each Class C Note the total principal amount plus interest at the Class C Notes Interest Rate nor that the distributions which are made will correspond to the monthly payments originally agreed upon in the underlying Financing Contracts.

There is also no assurance that the Class D Noteholders will receive for each Class D Note the total principal amount plus interest at the Class D Notes Interest Rate nor that the distributions which are made will correspond to the monthly payments originally agreed upon in the underlying Financing Contracts.

## **9. Financing Contracts**

The Issuer does not have any rights in, over or to the Financed Object itself - it only has rights in connection with the sale proceeds of the Financed Object. Accordingly, in the event of any insolvency of FRB London, the Issuer is reliant on any administrator or liquidator of FRB London taking appropriate steps to sell such Financed Object. Because the sale proceeds have been assigned to the Issuer, this will be of no value to FRB London's creditors as a whole and therefore an administrator or liquidator will not have any financial incentive to take such steps. This risk is mitigated by the inclusion of a provision in the Servicing Agreement providing that the Issuer will pay, in accordance with the Priority of Payments, any administrator or liquidator's costs and expenses in selling such Financed Objects and an Administrator Recovery Incentive fee; however there can be no certainty that any administrator or liquidator would take such actions and no contractual obligations on FRB London to do so that would be enforceable against FRB London or an administrator or liquidator thereof after the commencement of the administration or liquidation of FRB London.

## **10. Market for Receivables**

The ability of the Issuer to redeem all the Notes in full, including after the occurrence of an Enforcement Event, whilst any of the Purchased Receivables remain outstanding, may depend on whether the Receivables can be sold, otherwise realised or refinanced by the Issuer or the Trustee so as to obtain a sufficient amount available for the distribution to enable the Issuer to redeem the Notes. There is not yet an active and liquid secondary market for hire purchase receivables in the United Kingdom. It might be, therefore, that none of the Issuer or the Trustee is able to sell, otherwise realise or refinance the Receivables on appropriate terms should it be necessary for it to do so.

## **11. Credit Risk of the Parties**

The ability of the Issuer to make any principal and interest payments in respect of the Notes depends to a large extent upon the ability of the parties to the Transaction Documents to perform their contractual obligations. In particular, and without limiting the generality of the foregoing, the timely payment of amounts due in respect of the Notes depends on the ability of the Servicer to service the Purchased Receivables and on the maintenance of the level of interest rate protection offered by the Swap Agreement, although, in respect of the Senior Notes, the amounts standing to the credit of the Cash Reserve Account from time to time is intended to mitigate this risk to an extent.

## **12. Equitable Assignment**

Assignment by the Seller to the Issuer of the benefit of the Purchased Receivables derived from Financing Contracts governed by the laws of England and Wales will take effect in equity only because no notice of the assignment will be given to Obligor.

The giving of notice to the Obligor of the Seller's assignment (whether directly or indirectly) to the Issuer would have the following consequences:

- a) notice to the Obligor would "perfect" the assignment so that the Issuer would take priority over any interest of a later encumbrance or assignee of FRB London's rights who has no notice of the assignment to the Issuer;

- b) notice to an Obligor would mean that the Obligor should no longer make payment to FRB London as creditor under the Financing Contract but should make payment instead to the Issuer. If the Obligor were to ignore a notice of assignment and pay FRB London for its own account, the Obligor might still be liable to the Issuer for the amount of such payment. However, for so long as FRB London remains the Servicer under the Servicing Agreement it is also the agent of the Issuer for the purposes of the collection of the Purchased Receivables and will, accordingly, be accountable to the Issuer for any amount paid to it in respect of the Purchased Receivables;
- c) notice to the Obligor would prevent FRB London and the Obligor amending the relevant Financing Contract without the involvement of the Issuer. However, FRB London will undertake for the benefit of the Issuer that it will not waive any breach under, or amend the terms of, any of the Financing Contracts, other than in accordance with its Customary Operating Practices; and
- d) lack of notice to the Obligor means that the Issuer will have to join FRB London as a party to any legal action which the Issuer may want to take against any Obligor. The Seller will, however, undertake for the benefit of the Issuer that it will lend its name to, and take such other steps as may be required by the Issuer or the Trustee in relation to any action in respect of the Purchased Receivables.

Until notice is given to the Obligor, equitable set-offs (such as for misrepresentation or breach of contract as referred to in "Liability For Dealer's Misrepresentations And Breach Of Contract" at paragraph 13 below) may accrue in favour of the Obligor in respect of his obligation to make payments under the relevant Financing Contract. These may, therefore, result in the Issuer receiving less monies than anticipated from the Purchased Receivables. The assignment of any Purchased Receivables to the Issuer will be subject both to any prior equities which have arisen in favour of the Obligor and to any equities which may arise in the Obligor's favour after the assignment until such time (if ever) as he receives actual notice of the assignment. If an Obligor claims that a right of set-off or counterclaim has arisen in his favour against FRB London and fails to pay in full all amounts due from him under his Financing Contract and FRB London reasonably determines that the claim is valid, FRB London will indemnify the Issuer against the amount set-off or counterclaimed by such Obligor.

Notification Events have been put in place in the transaction to mitigate the risk deriving from the equitable assignment but there can be no certainty as to the timing and effectiveness of such Notification Events.

### **13. Financing Contracts regulated by the Consumer Credit Act 1974 (as amended)**

The Consumer Credit Act 1974, as amended by the Consumer Credit Act 2006 and associated secondary legislation (the "CCA") defines a consumer credit agreement as an agreement between a debtor and a creditor, by which the creditor provides the debtor with credit of any amount (the previous limit (of £25,000) has been abolished). Section 16B of the CCA introduces an exemption for consumer credit contracts exceeding the value of £25,000, which are entered into solely or predominantly for the debtor's business purposes.

The application of the CCA to the Financing Contracts which are regulated by the CCA (the "**Regulated Financing Contracts**") will have several consequences including the following:

#### *(a) Voluntary Terminations*

At any time before the last payment falls due in respect of the relevant Regulated Financing Contract, the Obligor may, pursuant to section 99 of the CCA, terminate the relevant Regulated Financing Contract. In order to terminate the Regulated Financing Contract, the Obligor is required to notify FRB London and upon notification the Obligor must return the Financed Object, at its own expense, to an address as reasonably required by FRB London, together with everything supplied with the Financed Object.

In such a case FRB London is entitled to:

- (i) all arrears of payments due and damages incurred for any other breach of the Regulated Financing Contract by the Obligor prior to such termination;
- (ii) the amount (if any) by which one half of the total amount which would have been payable under the Regulated Financing Contract if it had run its course exceeds the aggregate of sums

already paid by the Obligor and amounts due from the Obligor under the Regulated Financing Contract immediately before exercise by the Obligor of its statutory right of termination;

- (iii) possession of the relevant Financed Object subject to the Regulated Financing Contract being terminated; and

any other sums due but unpaid by the Obligor under the Regulated Financing Contract.

Following the Voluntary Termination of a Financing Contract, FRB London will take possession of the relevant Financed Object and will sell such Financed Object in accordance with its Customary Operating Practices. FRB London will apply (a) any amounts received per paragraphs (i) and (ii) above and (b) any proceeds from the sale of the Financed Object to reduce the principal balance of the Financing Contract that remains outstanding following the Voluntary Termination. Following such application, any remaining amounts of principal balance on the Financing Contract that has been the subject of the Voluntary Termination will be written-off and reduced to zero.

If an Obligor terminates a Financing Contract pursuant to section 99 of the CCA, it is possible that the Issuer will not receive the full amount of the principal amount outstanding on the relevant Purchased Receivable and an amount of principal will accordingly be written-off. This in turn could trigger losses in respect of the Notes.

*(b) Early Settlement of Regulated Financing Contracts*

The Obligor has a statutory right to discharge his payment liability, and obtain title to the Financed Object, under the Regulated Financing Contract in advance of its scheduled final repayment date by paying FRB London all unpaid scheduled payments through to the scheduled final repayment date together with all other amounts due and payable under the relevant Regulated Financing Contract less a rebate calculated pursuant to the provisions of the Consumer Credit (Early Settlement) Regulations 2004 (the "**Early Settlement Regulations**") (see sub-paragraph (d) below).

In addition, from 1 February 2011, pursuant to Regulation 30 of the Consumer Credit (EU Directive) Regulations 2010 (*SI 2010/1010*) (the "**EU Directive Regulations**"), amending section 94 of the CCA, the Obligors under a Regulated Financing Contract entered into after 11 June 2010 have a right to make partial early repayments of the Regulated Financing Contract. One or more partial early repayment(s) may be made at any time during the life of the relevant Regulated Financing Contract, subject to the Obligor taking certain steps as outlined in Regulation 30(4). The provisions on partial early settlement are largely the same as those for full early settlement and the framework operates in much the same way.

*(c) Termination of Regulated Financing Contracts*

FRB London has the right to terminate the Regulated Financing Contract in the event of an unremedied material breach of agreement by the Obligor. In such case FRB London is entitled to repossess the Financed Object (however, where the Obligor has paid at least one-third of the total amount payable, the Financed Object becomes "protected" under the CCA with the consequences described in paragraph 14 "Protected Goods" below) and recover either:

- (i) (A) all arrears of payments due and damages incurred for any breach of the Regulated Financing Contract by the Obligor prior to such termination;
  - (B) all FRB London's expenses of recovering or trying to recover the Financed Object, storing it and tracing the Obligor and any shortfall relating to the sale or other disposal of the Financed Object (including all expenses of sale); and
  - (C) any other sums due but unpaid by the Obligor under the Regulated Financing Contract less a rebate calculated pursuant to the provisions of the Early Settlement Regulations (see below).
- (ii) or such lesser amount as a court considers will compensate FRB London for its loss.

*(d) Rebate on Early Settlement or on Termination of a Regulated Financing Contract by FRB London*

In the case of Regulated Financing Contracts, a rebate of credit charges may be due on early settlement. The amount of the rebate is calculated in accordance with the Early Settlement Regulations. The rebate is available only in the circumstances specified in the Early Settlement Regulations. No such rebate is

required where the Obligor exercises his right to terminate a Regulated Financing Contract as described in (a) above, as the Obligor may terminate the relevant Regulated Financing Contract, without discharging in full the total amount payable under the Regulated Financing Contract.

*(e) Time Orders*

If, with regards to a Regulated Financing Contract, certain default or enforcement proceedings are taken or notice of early termination is served on an Obligor, the Obligor can apply to the court for a time order to change the timing of payments under his Regulated Financing Contract or to repay the outstanding sum by lower instalments than provided for in his Regulated Financing Contract. Under the provisions of the CCA the court has a wide discretion to make an order incorporating such amendments to the relevant Regulated Financing Contract as it considers fit, in order to achieve the objectives of the time order.

*(f) Enforcement of improperly executed or modified Regulated Financing Contracts*

If a Regulated Financing Contract has been "improperly executed" (as such term is used in the CCA) or improperly modified in accordance with the provisions of the CCA, it may be unenforceable unless a court order has been obtained. A Regulated Financing Contract may be completely unenforceable in circumstances where (i) there is no Regulated Financing Contract signed by the Obligor; and/or (ii) the form and content of the agreement do not conform with the relevant detailed provisions of The Consumer Credit (Agreements) (Amendment) Regulations 2004 ("**The Consumer Credit (Agreements) (Amendment) Regulations 2004**").

To mitigate this risk, FRB London has provided certain representations and warranties with regard to the Purchased Receivables, as described in more detail in the section entitled "SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS - Receivables Purchase Agreement".

*(g) "Unfair relationship"*

The Consumer Credit Act 2006 has extended the jurisdiction of the Financial Service Ombudsman to licence holders under the Consumer Credit Act and changed the grounds for challenging a credit agreement, from that of an "extortionate credit bargain", to that of an "unfair relationship" between a lender and an obligor.

In applying the new unfair relationship test, the courts are able to consider a wider range of circumstances surrounding the transaction, including the lender's conduct before and after making the agreement. There is no statutory definition of "unfair" as the intention is for the test to be flexible and subject to judicial discretion. However the word "unfair" is not an unfamiliar term in legal use in the United Kingdom due to the Unfair Contract Terms Act 1977 and the Unfair Terms in Consumer Contracts Regulations 1999 (SI 1999/2083). The courts may look to the above legislation for guidance. The FSA principles are also relevant and apply to the way contract terms are used in practice and not just the way they are drafted. Once an obligor alleges that an unfair relationship exists, the burden of proof is on the lender to prove the contrary.

#### **14. Liability for dealer's misrepresentations and breach of contract**

*(a) Regulated Financing Contracts*

Under section 75 of the CCA, an Obligor may make a claim against FRB London as well as a dealer in respect of any misrepresentations made by the dealer to the Obligor during negotiations between them before execution of the relevant Regulated Financing Contract or for a breach of contract.

In all the above circumstances, FRB London normally has a right to be reimbursed by the dealer for any amount paid to the Obligor in respect of the Obligor's claim and any costs (including legal costs) incurred in defending the claim. If any such case arises and the Obligor's claim is successful, FRB London would ordinarily seek to sell the Financed Object back to the dealer.

*(b) All Financing Contracts including Regulated Financing Contracts*

Under the Supply of Goods (Implied Terms) Act 1973 an Obligor may also make a claim for breach of contract against FRB London if the Financed Object the subject of the Financing Contract is not of satisfactory quality or fit for its intended purpose. Under the terms of each Financing Contract, there is one clause which purports to restrict FRB London's liability for any loss, injury or damage (other than death or personal injury) caused by FRB London's negligence or breach of contract. This clause is expressly stated to be subject to the relevant implied terms of the Supply of Goods (Implied Terms) Act

1973 in relation to title, conformity of the vehicles in question as to description, sample, quality and fitness for a particular purpose.

Where the Obligor makes the contract other than in the course of a business this exclusion does not affect the Obligor's statutory rights that the goods be of satisfactory quality and fit for their intended purpose. Where the Obligor makes the contract in the course of a business the exclusion of liability will only be binding if it meets a statutory test of reasonableness. Whenever this test is not satisfied FRB London will seek to rely on its right to be reimbursed by the dealer (described above).

## 15. Protected Goods

If, under a Regulated Financing Contract, the Obligor has paid FRB London at least one-third of the total amount payable under the relevant Regulated Financing Contract, the Financed Object becomes "protected" pursuant to the CCA and FRB London is not entitled to repossess the Financed Object, unless it first obtains an order from the court to this effect. If, however, the Obligor terminates the Regulated Financing Contract, the Financed Object ceases to be "protected" and FRB London may effect repossession unless the court grants the Obligor a "time order" rescheduling the Obligor's outstanding liabilities under the Regulated Financing Contract, or otherwise exercises any other discretion which it may have under the CCA.

See "THE PROVISIONAL RECEIVABLES POOL" for portfolio data on the financing contracts regulated by the CCA.

## 16. Other Risks Resulting from Consumer Credit Legislation

### (a) *Unfair Terms in Consumer Contracts Regulations 1999*

The Unfair Terms in Consumer Contracts Regulations 1999 (the "**UTCC Regulations**") apply in relation to the Financing Contracts. An Obligor may challenge a term in an agreement on the basis that it is "unfair" within the meaning of the UTCC Regulations and therefore not binding on the Obligor. In addition the Director General of Fair Trading or a qualifying body (as defined in the UTCC Regulations) may seek an injunction (or, in Scotland, interdict) preventing a business from relying on an unfair term.

A term shall be regarded as unfair if, contrary to the requirement of good faith, it causes a significant imbalance in the parties' rights and obligations arising under the contract to the detriment of the consumer. It should be noted that there is no strict definition as to what will constitute an "unfair" term, although Schedule 2 to the UTCC Regulations provides some (non-exhaustive) guidance as to what terms may potentially be deemed to be unfair. The assessment of unfairness will take into account all the circumstances attending the conclusion of the contract.

It is the duty of the Director General of Fair Trading to consider any complaint about the fairness of a relevant contractual term. If such term is found to be unfair under the UTCC Regulations, then it is deemed to be unenforceable. The contract itself shall continue to bind the parties if it is capable of continuing in existence without the unfair term.

No assurance can be given that future changes to the UTCC Regulations or changes to guidance on interest variation terms will not have an adverse effect on the Purchased Receivables, the Seller, the Servicer, the Agent Bank or the Paying Agent or the Issuer and their respective businesses and operations. This may adversely affect the ability of the Issuer to dispose of the Purchased Receivables, or any part thereof, in a timely manner and/or the realisable value of the Purchased Receivables, or any part thereof, and accordingly affect the ability of the Issuer to meet its obligations under the Notes when due.

Under the FSMA, the Financial Ombudsman Service is required to make decisions on, among others, complaints relating to the terms in agreements on the basis of what, in the Ombudsman's opinion, would be fair and reasonable in all the circumstances of the case, taking into account, among others, law and guidance. Complaints brought before the Financial Ombudsman Service for consideration must be decided on a case-by-case basis, with reference to the particular facts of any individual case. Each case would first be adjudicated by an adjudicator. Either party to the case may appeal against the adjudication. In the event of an appeal, the case proceeds to a final decision by the Ombudsman.

The Financial Ombudsman Service may order a money award to an Obligor, which may adversely affect the value at which the Financing Contracts in the Purchased Receivables could be realised and accordingly the ability of the Issuer to meet its obligations under the Notes.

From 6 April 2007 the jurisdiction of the Financial Ombudsman Service has been extended to cover licence holders under the Consumer Credit Act 2006, and such licence holders are required to have in place formal complaints-handling procedures that comply with the Consumer Credit Act 2006.

*(b) Unfair Commercial Practices Directive 2005*

On 11 May 2005, the European Parliament and the Council adopted the Unfair Commercial Practices Directive (*SI 2005/29/EC*) (the "**UCPD**"). The UCPD is a maximum harmonisation Directive, which means that (except for financial services and immovable property) Member States may not impose more stringent provisions than those provided for by the UCPD.

The UCPD seeks to harmonise unfair trading laws in all Member States by: (i) introducing a general prohibition on traders not to treat consumers unfairly; (ii) obliging businesses not to mislead consumers through acts or omissions or through subjecting them to aggressive commercial practices such as high pressure selling techniques; and (iii) introducing a prohibition of specified practices that will be deemed unfair in all circumstances. The UCPD has a wide scope in that it prohibits unfair business-to-consumer practices in all sectors, however, it only focuses on the protection of economic interests. Other interests such as health, safety, taste or decency are outside its scope.

The UCPD is intended to protect only the collective interests of consumers; it does not seek to provide individual consumers with a private right of action.

The Consumer Protection from Unfair Trading Regulations 2008 (*SI 2008/1277*) (the "**Consumer Protection Regulations**"), which implement the UCPD, came into force on 26 May 2008.

The Consumer Protection Regulations are comprised of three key restrictions:

- (a) Regulation 3 sets out a general prohibition of unfair commercial practices, so as to catch all practices which do not fall into the specific prohibitions of misleading and aggressive practices or the specifically banned practices. In accordance with Regulation 3, a commercial practice is "unfair" if:
  - (i) the practice contravenes the requirements of "professional diligence" (which is the special skill and care a trader may be reasonably expected to exercise commensurate with honest market practice or the general principle of good faith in its field of activity; and
  - (ii) the practice materially distorts or is likely to materially distort the economic behaviour of the average consumer with regard to the product in question.
- (b) Regulations 5 to 7 set out specific prohibitions in respect of misleading actions or omissions, and aggressive practices, respectively.
- (c) Schedule 1 to the Consumer Protection Regulations contains a list of 31 specified commercial practices that are in all circumstances to be deemed unfair. Evidence of their effect, or likely effect, on the average consumer is not required in order to prove a breach under the Consumer Protection Regulations.

Enforcers (such as the Office of Fair Trading and the Trading Standards Service) may take civil enforcement action in respect of a breach of the Consumer Protection Regulations. There is no private right of action under the Consumer Protection Regulations for either consumers or competitors.

## **17. Risk of Non-Existence of Purchased Receivables**

In the event that any of the Purchased Receivables have not come into existence at the time of their assignment to the Issuer under the Receivables Purchase Agreement, such assignment would not result in the Issuer acquiring ownership title in such Purchased Receivable. The Issuer would not receive adequate value in return for its Purchase Price payment. This result is independent of whether the Issuer, at the time of assignment, is not aware of the non-existence and therefore acts in good faith with respect to the existence of such Purchased Receivable or not. This risk, however, will be mitigated by contractual representations and warranties and the contractual obligation that the Seller shall pay to the Issuer an amount equal to the deemed amount of the Principal Balance of such non-existent Receivables as of the date of such payment.

## **18. Scottish Receivables**

Certain of the Financing Contracts (in respect of Purchased Receivables constituting approximately 9.33 per cent. of the Aggregate Principal Balance as at the Cut-Off Date) have been entered into with



Obligors who are (a) consumers and (b) located in Scotland, whilst certain of the vehicles financed pursuant to the Financing Contracts are located in Scotland. In such circumstances, notwithstanding the express choice of English law as the governing law of the contract, there is a risk that the Scottish courts could treat the express governing law clause and exclusive jurisdiction provisions as not binding on the relevant Obligor and instead apply Scots law based on regulations 5 and 8 of the Unfair Terms in Consumer Contracts Regulations 1999 and related OFT Guidance.

If a Scottish court were to declare that a Financing Contract was in fact governed by Scots law as the express governing law was unenforceable (a "**Scottish Financing Contract**"), the Scots court would declare that such Scottish Financing Contract had always been governed by Scots law, and that the Scottish Financing Contract should therefore be interpreted as a matter of Scots law. There is therefore a risk that the transfer of Purchased Receivables derived from Scottish Financing Contracts ("**Scottish Receivables**") by the Seller to the Issuer pursuant to an English law Receivables Purchase Agreement may not be considered to be a valid transfer by the Scots courts.

To mitigate this risk, the Seller will declare a trust (the "**Scottish Trust**") in favour of the Issuer over the Scottish Receivables and the Issuer will be the beneficiary under the Scottish Trust. To the extent a Scots court considers the relevant Financing Contract to be governed by Scots law, legal title to the relevant Scottish Receivable will accordingly remain with the Seller because no formal assignation thereof duly intimated to the relevant Obligor(s) will be made. The legal position of the Issuer under the Scottish Trust is substantially in accordance with that set out above in relation to the holding of an equitable interest in the Purchased Receivables governed by the laws of England and Wales.

The fixed charge granted by the Issuer in favour of the Trustee over the Issuer's assets includes, among other things, an assignation in security of the Issuer's interest in the Scottish Trust.

## **19. Banking Act 2009**

The Banking Act 2009 (the "**2009 Act**") came into effect on 21 February 2009. It confers on the UK Treasury (the "**Treasury**") and the Bank of England powers to act, pursuant to a special resolution regime, to address situations where all or part of the business of a United Kingdom institution with permission to accept deposits (a "**UK Deposit-Taker**") such as FRB London, has encountered, or is likely to encounter, financial difficulties. The Treasury and the Bank of England have been given certain wide powers to support the implementation of the stabilisation measures contemplated by the 2009 Act. The Treasury may, in certain circumstances, take a UK Deposit-Taker's business to a private sector purchaser or a "bridge bank" wholly owned by the Bank of England. A transfer to a private sector purchaser may be a transfer of securities issued by the UK Deposit-Taker or a transfer of all or part of its property, rights and liabilities. A transfer to a bridge bank may be achieved by a property transfer. The Bank of England may also modify contractual arrangements (including those with group companies).

There can be no assurance that Noteholders will not be adversely affected by any action taken under the 2009 Act.

## **20. Risks Relating to the Insolvency of the Issuer**

### *Small companies moratorium*

The Insolvency Act 2000 introduced significant changes to the UK insolvency regime including provisions which allow certain "small" companies to obtain protection from their creditors for a period of 28 days for the purposes of putting together a company voluntary arrangement with the option for the creditors to extend the protection period for a further two months.

During this period, no insolvency procedures may be commenced in relation to the company, any security created by the company over its property cannot be enforced and no other legal process can be taken in relation to the company except with the consent of the Court.

A company may continue to make payments in respect of its debts in existence before the beginning of the moratorium only if there are reasonable grounds for believing such payments will benefit the company and the payment is approved by either the moratorium committee of the creditors of the company or, if none, by a nominee of the company appointed under the provisions of the Insolvency Act 2000.

For the purposes of the Insolvency Act 2000, a "small company" is defined as one which satisfies two or more of the following criteria: (i) its turnover is not more than £5.6 million; (ii) its balance sheet total is not more than £2.8 million; and (iii) the number of its employees is not more than 50.

For as long as the turnover of the Issuer is greater than £5.6 million and its balance sheet total is greater than £2.8 million, the Issuer will not be regarded as a "small company" under the law as it currently stands. The Secretary of State for Trade and Industry may by regulation in the future modify the eligibility requirements for the applicability of the Insolvency Act 2000 and the definition of a "small company".

Whether or not the Issuer is a "small company" within the provisions of the Insolvency Act 2000 will be an accounting matter determined on a financial year by financial year basis for the Issuer.

Pursuant to Regulations made by the Secretary of State which came into force on 1 January 2003, companies which are party to an agreement which is or forms part of a capital market arrangement, under which a party incurs or when the agreement was entered into was expected to incur a debt of at least £10 million and which involves the issue of a capital market investment, are excluded from being eligible for the moratorium. The definitions of "capital market arrangement" and "capital market investment" are broad, such that, in general terms, any company which is a party to an arrangement which involves at least £10 million of debt, the granting of security to a trustee, and the issue of a rated, listed or traded debt instrument, may be ineligible to seek the benefit of the small companies moratorium.

In addition, there is an exclusion from the moratorium provisions for any company which has incurred a liability (including a present, future or contingent liability) of at least £10 million. While the Issuer should fall within this exception, there is no guidance as to how the legislation will be interpreted and the Secretary of State for Trade and Industry may by regulation modify the exceptions. No assurance may be given that any modification of the eligibility requirements for "small companies" and/or the exceptions will not be detrimental to the interests of the Noteholders.

The moratorium provisions may serve to limit the Trustee's ability to enforce the security granted by the Issuer if, first, the Issuer falls within the eligibility criteria for a moratorium at the relevant time; secondly, if the directors of the Issuer seek a moratorium in advance of a company voluntary arrangement; and, thirdly, if the Issuer is considered not to fall within an exception: in those circumstances, the enforcement of the security by the Trustee may, for a period, be prohibited by the imposition of the moratorium.

Even if a moratorium could delay enforcement proceedings against the Issuer, this would be for a maximum period of only three months as described above (subject to the Secretary of State increasing, by order, the period for which a moratorium may be obtained). In addition, even if a protection period were granted in relation to it, it could obtain approval to continue to make payments in accordance with the Trust Deed and the Conditions.

#### ***Share of floating charge assets for unsecured creditors***

The Enterprise Act 2002 (the "**Enterprise Act**") also inserted a new Section 176A into the Insolvency Act, which provides that where a company has gone into liquidation or administration, or where there is a provisional liquidator or receiver, a "**prescribed part**" of the company's net property is to be applied in satisfaction of unsecured debts in priority over floating charge holders.

By virtue of the relevant prescribing order, the ring fencing of the "**prescribed part**" applies to floating charges which are created on or after 15 September 2003. The amount available for unsecured creditors will depend upon the value of the chargor's "**net property**", being the amount of the chargor's property which would otherwise be available for satisfaction of the claims of floating charge holders or holders of a debenture secured by a floating charge. As at the date of this Prospectus, the "**prescribed part**" has been set as 50 per cent. of the first £10,000 of a company's net property and 20 per cent. of the net property that exceeds £10,000; provided that such amount may not exceed £600,000. Where the company's net property is less than a prescribed minimum of £10,000, the liquidator, administrator or receiver may disapply this rule without application to the Court in respect of a company if it thinks that the cost of making a distribution to unsecured creditors would outweigh the benefits. If the company's net property is more than the prescribed minimum, the liquidator, administrator or receiver may apply to the Court for an order that the rule may be disappplied on the same ground.

Accordingly, any floating charge realisations upon the enforcement of the Issuer Security will be reduced by the operation of the ring fencing provisions. A receiver appointed by the Trustee would also be obliged to pay preferential creditors out of floating charge realisations in priority to payments to the Transaction Creditors (including the Noteholders), respectively. Following the amendments to the Insolvency Act introduced by the Enterprise Act, the categories of preferential debts are certain amounts payable in respect of occupational pension schemes, employee remuneration and levies on

coal and steel production. It should be noted, however, that pursuant to the covenants contained in the relevant Transaction Documents, the Issuer is not permitted to have any employees and its activities are otherwise restricted. Accordingly, if the Issuer complies with the covenants contained in the Transaction Documents it is unlikely that the Issuer will have any preferential creditors.

#### *Appointment of administrative receiver in respect of Issuer*

As a result of the amendments made to the Insolvency Act by the Enterprise Act, the holder of a qualifying floating charge created on or after 15 September 2003 is prohibited from appointing an administrative receiver and, consequently, is unable to prevent the chargor entering into administration, unless the floating charge falls within one of the exceptions set out in sections 72A to 72GA of the Insolvency Act.

The Trustee will not be entitled to appoint an administrative receiver over the assets of the Issuer unless the floating charges in its favour fall within at least one of the exceptions.

The exceptions include a capital markets exception in respect of, in certain circumstances, the appointment of an administrative receiver pursuant to an agreement which is or forms part of a "**capital market arrangement**" (as defined in the Insolvency Act). This exception will apply if a party incurs or, when the agreement in question was entered into, was expected to incur a debt of at least £50 million and if the arrangement involves the issue of a capital market investment (also defined in the Insolvency Act but, generally, a rated, traded or listed bond).

Although there is yet no case law on how this exception will be interpreted, the exception should be applicable to the transactions described in this Prospectus so far as it concerns the floating charge created by the Issuer under the Deed of Charge. However, the Secretary of State may, by secondary legislation, modify the exceptions to the prohibition on appointing an administrative receiver and/or provide that the exception shall cease to have effect. No assurance can be made that any such modification or provisions in respect of the capital market exception will not be detrimental to the interests of the Noteholders.

#### *Financial Collateral Arrangements (No. 2) Regulations*

The Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (the "**Regulations**") (which implement the Financial Collateral Directive (Directive 2002/47/EC)) sets out certain rules governing the provision of financial instruments and cash as collateral. The Regulations apply to financial collateral provided by way of an outright transfer and to security interests. The effect of the Regulations on the security interests to be created in connection with the transactions contemplated in this Prospectus may be to disapply key pieces of insolvency law such as the restrictions on the enforcement of security, which are contained in the Insolvency Act 1986 and which would otherwise apply to security taken over financial collateral.

Regulations are uncertain for a number of reasons, including whether the Regulations have interpreted Directive 2002/47/EC too widely and, in the absence of any case law on the Regulation or further guidance being given on its interpretation, the exact scope and effect of the Regulations is unclear.

#### *Receiver as agent*

A receiver would generally be the agent of a company until the company's liquidation, and thus, while acting within his powers, will enter into agreements and take actions in the name of, and on behalf of, the company. The receiver will be personally liable on any contract entered into by him in carrying out his functions (except in so far as the contract provides otherwise) but will have an indemnity out of the assets of the company. If, however, the receiver's appointor unduly directed or interfered with or influenced the receiver's actions, a court may decide that the receiver was the agent of his appointor and that his appointor should be responsible for the receiver's acts and omissions.

The Trustee is entitled to receive remuneration and reimbursement for its expenses and an indemnity out of the assets of the Issuer for its potential liabilities. Such payments to the Trustee will rank ahead of payments by the Issuer under the Notes. Accordingly, should the Trustee become liable for acts of such a receiver, the amount that would otherwise be available for payment to the Noteholders may be reduced.

If the company to which the receiver is appointed goes into liquidation, then, as noted above, the receiver will cease to be that company's agent. At such time he will then act either as agent of his appointor or as principal according to the facts existing at that time. If he acts as agent of his appointor, then for the reasons set out in the foregoing paragraph the amount that would otherwise be available for

payment to Noteholders may be reduced. If the receiver acts as principal and incurs a personal liability, he will have a right of indemnity out of the assets in his hands in respect of that liability and the amount that would otherwise have been available for payment to the Noteholders (subject to any claims of the Trustee to such amount) would be reduced accordingly.

#### ***Preferential debts***

An administrator or receiver appointed by the Trustee would be obliged to pay preferential creditors out of floating charge realisations in priority to payments to the Transaction Creditors (including the Noteholders). For the purpose of this section, preferential debts mean the categories of debts listed in Schedule 6 to the Insolvency Act which include certain pension scheme contributions and remuneration of employees, but in respect of insolvencies commencing on or after 15 September 2003, no longer include debts due to HM Revenue and Customs or social security contributions following the Enterprise Act being brought into force. It should be noted, however, that pursuant to the covenants contained in the Transaction Documents, the Issuer is not permitted to have any employees and its activities are otherwise restricted. Accordingly, if the Issuer complies with the covenants contained in the Transaction Documents, it is unlikely that the Issuer will have any preferential creditors.

#### ***Administration expenses***

If the Trustee is prohibited from appointing an administrative receiver, whether by virtue of the amendments made to the Insolvency Act by the Enterprise Act or otherwise, or fails to exercise its right to appoint an administrative receiver within the relevant notice period, and an administrator was appointed to the Issuer, the expenses of the administration would also rank ahead of the claims of the Trustee as floating charge holder. Furthermore, in such circumstances, the administrator would be free to dispose of floating charge assets without the leave of the court, although the Trustee would have the same priority in respect of the property of the company representing the floating charge assets disposed of (if any) as it would have had in respect of such floating charge assets.

#### ***Recharacterisation of fixed security interest***

There is a possibility that a court could find that certain of the fixed security interests expressed to be created by the Deed of Charge, which is governed by English law, could take effect as floating charges notwithstanding that they are expressed to be fixed charges.

If the fixed security interests are recharacterised as floating security interests, the claims of (i) any unsecured creditors of the Issuer in respect of that part of its net property which is ring fenced as a result of the Enterprise Act (see "*Share of floating charge assets for unsecured creditors*" above); and (ii) certain statutorily defined preferential creditors (see "*Preferential Debts*" above) of the Issuer may have priority over the rights of the Trustee to the proceeds of enforcement of such security.

### **21. Permitted Investments**

The Issuer has the right to make certain interim investments of money standing to the credit of the Issuer Account and the Cash Reserve Account by investing them in Permitted Investments. These investments must have appropriate ratings depending on the term of the investment and the term of the investment instrument. However, it may be that, irrespective of any such rating, such investments will be irrecoverable due to bankruptcy or insolvency of the debtor under the investment or of a financial institution involved or due to the loss of an investment amount during the transfer thereof. Additionally, the return on an investment may not be sufficient to cover fully interest payment obligations due from the investing entity on the funding used to purchase such investment. In this case, the Issuer may not be able to meet all of its payment obligations. None of the Issuer, the Servicer, and/or the Trustee will be responsible for any such loss or shortfall.

### **22. Reliance on Warranties**

If the Purchased Receivables should partially or totally fail to conform at the Cut-Off Date or the Purchase Date, as applicable, to the warranties given by the Seller in the Receivables Purchase Agreement and such failure has a Material Adverse Effect on the interests of the Issuer or the Noteholders, the Seller shall have until the end of the Monthly Period which includes the thirtieth (30<sup>th</sup>) calendar day (or, if the Seller elects, an earlier date) after the date that the Seller became aware or was notified of such failure to cure or correct such failure. Any such breach or failure will not be deemed to have a Material Adverse Effect if such failure does not affect the ability of the Issuer to receive and retain timely payment in full on such Purchased Receivable. If the Seller does not cure or correct such failure prior to such time, then the Seller is required to repurchase the Purchased Receivable affected

by such failure on the Payment Date following the expiration of such period at a price equal to the Principal Balance of the relevant Purchased Receivables as of the relevant Repurchase Date. The Issuer's rights under these provisions are, however, not secured, and the Noteholders bear the risk deriving from this fact.

### **23. Reliance on Administration and Collection Procedures**

FRB London, in its capacity as Servicer, will carry out the administration, collection and enforcement of the Purchased Receivables in accordance with the Servicing Agreement (see "SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS - Servicing Agreement").

Accordingly, the Noteholders are relying on the business judgement and practices of FRB London as they exist from time to time, in its capacity as Servicer, including enforcing claims against Obligor.

### **24. Risk of Change of Servicer**

In the event FRB London is replaced as Servicer, there may be losses or delays in processing payments or losses on the Purchased Receivables due to a disruption in servicing during a transfer to a successor Servicer, or because the successor Servicer is not as experienced as FRB London. This may cause delays in payments or losses under the Notes. In order to reduce this risk, the Issuer has appointed the Back-up Servicer pursuant to the Back-up Servicing Agreement.

Upon the termination of the appointment of the Servicer under the Servicing Agreement, the Back-up Servicer will, within 60 days of receiving notice of the same, replace the Servicer on terms substantially similar to those set out in the Servicing Agreement.

However, there is no guarantee that the Back-up Servicer or any successor Servicer will provide the servicing at the same level as FRB London.

### **25. Commingling Risk**

FRB London, as the Servicer, is entitled to commingle Collections with its own funds for a period up to one calendar week and is required to pay the Collections accumulated to the Issuer Account on each Transfer Date. If FRB London were unable to remit those funds or were to become insolvent, losses or delays in distributions to investors may occur. In order to mitigate this risk, the Seller will declare a trust over the Collection Accounts in favour of the Issuer over monies standing to the credit of the Collections Accounts which are attributable to Collections relating to Purchased Receivables (the "**Collection Accounts Declaration of Trust**").

### **26. Conflicts of Interest**

FRB London, the Joint Bookrunners, the Joint Lead Managers, the Joint Arrangers and the Swap Counterparty are acting in a number of capacities in connection with the transaction. These parties will have only those duties and responsibilities expressly agreed to by them in the relevant agreement and will not, by virtue of their or any of their Affiliates acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided with respect to each agreement to which they are a party. The aforementioned parties in their various capacities in connection with the transaction may enter into business dealings from which they may derive revenues and profits without any duty to account therefor in connection with the transaction.

FRB London in particular may hold and/or service claims against the Obligor other than the Purchased Receivables. The interests or obligations of FRB London with respect to such other claims may in certain aspects conflict with the interests of the Noteholders. In addition, FRB London or another branch of FirstRand Bank or one of its Affiliates may, from time to time, hold certain of the Notes in one or more classes of Notes. Until such time as the Class A Notes have been repaid in full and the remaining Notes are held in their entirety by FRB London or members of the FRB Group, neither FRB London nor any of its subsidiaries or holding companies shall be entitled to vote at any meeting of Noteholders in respect of Notes held by it for its benefit. However, it should be noted that any such holding of Notes by FRB London or any of its subsidiaries or holding companies may have the effect of reducing the number of votes required to pass a resolution at any meeting of Noteholders.

The aforementioned parties may engage in commercial relationships, in particular, be lender, provide general banking, investment and other financial services to the Obligor and other parties. In such relationships the aforementioned parties are not obliged to take into account the interests of the

Noteholders. Accordingly, because of these relationships, potential conflicts of interest may arise out of the transaction.

## 27. Changes to the Basel Capital Accord (Basel II)

The original Basel Accord was agreed in 1988 by the Basel Committee on Banking Supervision (the "**Committee**"). The 1988 Accord, now referred to as Basel I, helped to strengthen the soundness and stability of the international banking system as a result of the higher capital ratios that it required. The Committee published the text of the new capital accord under the title: "Basel II; International Convergence on Capital Measurement and Capital Standards: a revised framework" (the "**Framework**") in June 2004. The Framework was put into effect for credit institutions in Europe via the recasting of a number of prior directives, referred to as the EU Capital Requirements Directive ("**CRD**"). Member States were required to transpose, and the financial services industry had to apply, the CRD by 1 January 2007, subject to various transitional measures. The more sophisticated measurement approaches for operational risk were required to be implemented from January 2008. The Framework, as implemented, will affect risk weighting of the Notes for investors.

In April 2008, the Committee announced its intention to take steps to strengthen certain aspects of the Framework and in July 2009, the Committee published measures to enhance the three pillars of the Framework. The measures focus on strengthening the risk treatment for certain securitisations and requiring banks to conduct more rigorous credit analyses of externally rated securitisation exposures, raising standards for risk management practices and firm-wide governance to address the weaknesses revealed by the financial crisis and strengthening disclosure and trading activities. In addition, the Committee has introduced provisions to strengthen the rules governing trading book capital. Further measures were introduced by the Committee in December 2009 which focus on strengthening banks' capital bases and liquidity standards. The Committee announced in September 2010 that it has reached final agreement on the full package of amendments to the Framework with the new capital and liquidity standards to be phased in over a period of several years starting from 2013.

In September 2009, amendments to the CRD were adopted by the European Parliament and the Council. The amendments include a number of items which may be relevant to certain investors including a "skin in the game" provision that (broadly) requires originators/sponsors of a securitisation to retain a 5% net economic interest in the securitisation and established a set of investment due diligence requirements (including penalties involving higher capital charges in the case of non-compliance with the latter). The Directive amending the CRD applies to all securitisations issued on or after 1 January 2011. The application of these amendments to the CRD to the issue of the Notes is discussed in "RISK FACTORS - Compliance with Article 122a of the CRD" below. In July 2009, the European Commission published a further Directive which amends various technical risk management provisions in the CRD, some of which may be relevant to investors, including the criteria concerning the organisation and treatment of risks arising from securitisations. These provisions were required to be implemented by national regulators with effect from 31 December 2010.

It should also be noted that the Basel Committee has approved significant changes to the Framework (such changes being commonly referred to as "**Basel III**"), including new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. In particular, the changes refer to, amongst other things, 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 the "net stable funding ratio"). Member countries will be required to implement the new capital standards from January 2013, the new liquidity coverage ratio from January 2015 and the net stable funding ratio from January 2018. The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general, and the European Commission's corresponding proposals comprising a draft regulation and a draft directive to implement the changes (through amendments to the Capital Requirements Directive known as "**CRD IV**") were published on 20 July 2011. The Commission intends that the proposed regulation and directive come into force on 1 January 2013, with full implementation by 1 January 2019. The changes approved by the Basel Committee may have an impact on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

There can be no guarantee that the regulatory capital treatment of the Notes for investors will not be affected by any future changes to the Framework or the CRD. The Issuer is not responsible for informing Noteholders of the effects of the changes which will result for investors from revisions to the

Framework or the CRD. In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Framework (including the Basel III changes described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

## **28. Restrictions on Transfer**

The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Offering of the Notes will be made pursuant to exemptions from the registration provisions of the Securities Act and from state securities laws. No Person is obliged or intends to register the Notes under the Securities Act or any state securities laws. Accordingly, offers and sales of the Notes are subject to the restrictions described under "SUBSCRIPTION AND SALE".

## **29. Responsibility of Prospective Investors**

The purchase of Notes is only suitable for investors that have adequate knowledge and experience in such structured investments and have the necessary background and resources to evaluate all risks related with the investment that are able to bear the risk of loss of their investment (up to a total loss of the investment) without the necessity to liquidate the investment in the meantime and that are able to assess the tax aspects of such investment independently.

Furthermore, each potential investor should on the basis of its own and independent investigation and help of its professional advisors (the consultation of which the investor may deem necessary) be able to assess if the investment in the Notes is in compliance with its financial requirements, targets and situation (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's), is in compliance with its principles for investments, guidelines or restrictions (regardless of whether it acquires the Notes for itself or as a trustee) and is an appropriate investment for the purchaser (or for any beneficiary if acting as a trustee), notwithstanding the risks of such investment.

## **30. Interest Rate Risk / Risk of Swap Counterparty Insolvency**

The Issuer will enter into a Swap Agreement to mitigate the interest rate exposure because the Purchased Receivables bear interest at fixed rates while the Class A Notes will bear interest at floating rates based on LIBOR for one-month Sterling deposits. The cash flows of the Purchased Receivables required to make interest and principal payments under the Class A Notes will not be adjusted in accordance with the development of the floating interest rates. The Issuer will use payments made by the Swap Counterparty to make payments on such Notes on each Payment Date.

During those periods in which the floating rates payable by the Swap Counterparty under the Swap Agreement are substantially greater than the fixed rates payable by the Issuer under such Swap Agreement, the Issuer will be more dependent on receiving payments from the Swap Counterparty in order to make interest payments on the Notes. If the Swap Counterparty fails to pay any amounts when due under the Swap Agreement, the Collections from Purchased Receivables and the Cash Reserve Amount may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments on the Notes.

During those periods in which the floating rates payable by the Swap Counterparty under the Swap Agreement are less than the fixed rates payable by the Issuer under such Swap Agreement, the Issuer will be obligated under such Swap Agreement to make a payment to the Swap Counterparty. Such amounts (other than Subordinated Termination Payments) will rank higher in priority than payments on the Notes. If a payment under the Swap Agreement is due to the Swap Counterparty on any Payment Date, the Purchased Receivables and the Cash Reserve Amount may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments under the Notes.

The Swap Counterparty may terminate the Swap Agreement if, amongst other things, the Issuer becomes insolvent, if the Issuer fails to make a payment under the Swap Agreement when due (after taking into account any grace periods), if a change of law results in the obligations of one of the parties becoming illegal, if an Enforcement Event occurs, if the Priority of Payments is changed (other than in accordance with the Trust Deed or with the prior written consent of the Swap Counterparty) such that the interests of the Swap Counterparty are in any way adversely affected or any terms of the Transaction Documents are changed without the Swap Counterparty's prior written consent where the Swap Counterparty is of the commercially reasonable opinion that it is materially adversely affected as

a result of such amendment. The Issuer may terminate the Swap Agreement if, amongst other things, certain insolvency events occur in respect of the Swap Counterparty, the Swap Counterparty fails to make a payment under the Swap Agreement (after taking into account any grace periods) or a change of law results in the obligations of one of the parties becoming illegal.

In the event that any of the ratings of the Swap Counterparty by either of the Rating Agencies falls below the Required Rating at any time, the Issuer may terminate the Swap Agreement if the Swap Counterparty fails, within a set period of time, to take certain remedial actions intended to mitigate the effects of such downgrade below the Required Rating. Such actions could include the Swap Counterparty posting collateral in accordance with a credit support annex to the 1992 ISDA Master Agreement, transferring its obligations to a replacement Swap Counterparty or procuring a guarantee or a co-obligor, or taking any other action as agreed with Fitch. However, in the event the Swap Counterparty is downgraded there can be no assurance that a guarantor or replacement Swap Counterparty will be found or that the amount of collateral will be sufficient to meet the Swap Counterparty's obligations. The Swap Counterparty will be required to take certain additional actions in the event its ratings fall below the Second Trigger Required Rating and, in the case of its ratings by Fitch, in the event its ratings fall below the Additional Fitch Required Rating.

**"Required Rating"** means:

- (a) in relation to Moody's, where the relevant entity has a rating assigned by Moody's under its short-term rating scale, a short-term rating of "Prime-1" and a long-term rating of "A2" or above or, if there is no short-term rating, a long-term rating of "A1" or above; and
- (b) in relation to Fitch:
  - (i) in the event the Class A Notes are assigned a rating of "AA-" or above by Fitch, a long-term rating of "A" and a short-term rating of "F1" with no Rating Watch Negative, in each case applicable to the Swap Counterparty's (or any credit support provider's) unsecured and unsubordinated debt obligations.
  - (ii) in the event the Class A Notes are assigned a rating of "A+" or below by Fitch, a long-term rating of "BBB+" and a short-term rating of "F2" with no Rating Watch Negative, in each case applicable to the Swap Counterparty's (or any credit support provider's) unsecured and unsubordinated debt obligations.

**"Second Trigger Required Rating"** means:

- (c) in relation to Moody's, where the relevant entity has a rating assigned by Moody's under its short-term rating scale, a short-term rating of "Prime-2" or above and a long-term rating of "A3" or above or, if there is no short-term rating, a long-term rating of "A3" or above; and
- (d) in relation to Fitch:
  - (i) in the event the Class A Notes are assigned a rating of "AA-" or above by Fitch, a long-term rating of "BBB+" and a short-term rating of "F2" with no Rating Watch Negative, in each case applicable to the Swap Counterparty's (or any credit support provider's) unsecured and unsubordinated debt obligations.
  - (ii) in the event the Class A Notes are assigned a rating of "A+" or below by Fitch, a long-term rating of "BBB-" and a short-term rating of "F3" with no Rating Watch Negative, in each case applicable to the Swap Counterparty's (or any credit support provider's) unsecured and unsubordinated debt obligations.

**"Additional Fitch Required Rating"** means, in connection with Fitch only, a long-term rating of "BBB-" and a short-term rating of "F3" with no Rating Watch Negative applicable to the Swap Counterparty's (or any credit support provider's) unsecured and unsubordinated debt obligations.

In the event that the Swap Agreement is terminated or closed-out by either party, a termination payment may be due to the Issuer or to the Swap Counterparty. Any such termination payment could, if market interest rates and other conditions have changed materially, be substantial. Under certain circumstances, termination payments required to be made by the Issuer to the Swap Counterparty will rank higher in priority than all payments on the Notes. In such event, the Purchased Receivables and the Cash Reserve Amount may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments on the Notes.



In the event that the Swap Agreement is terminated or closed-out by either party, the Issuer may not be able to enter into a replacement Swap Agreement immediately or at all. To the extent a replacement Swap Agreement is not in place, the amount available to pay principal of and interest under the Notes will be reduced if the interest rates under the Notes exceed the fixed rate the Issuer would have been required to pay the Swap Counterparty under the terminated Swap Agreement. Under these circumstances the Purchased Receivables and the Cash Reserve Amount may be insufficient to make the required payments under the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments under the Notes.

The Swap Counterparty may under certain limited conditions transfer its obligations under the Swap Agreement to a third party with the Required Rating if it meets certain conditions. There can be no assurance that the credit quality of the replacement Swap Counterparty will ultimately prove as strong as that of the original Swap Counterparty.

### **31. Subordination of Payments**

There is uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, recent cases have focused on provisions involving the subordination of a swap counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty. Such provisions are similar in effect to the terms included in the Transaction Documents relating to the subordination of certain payments under a Swap Agreement.

The Supreme Court of the United Kingdom in *Belmont Park Investments PTY Limited (Respondent) v BNY Corporate Trustee Services Limited and Lehman Brothers Special Financing Inc* [2011] UKSC 38 unanimously upheld the decision of the Court of Appeal in upholding the validity of similar priorities of payment, stating that, provided that such provisions form part of a commercial transaction entered into in good faith which does not have, as its predominant purpose or one of its main purposes, the deprivation of the property of one of the parties on bankruptcy, the anti-deprivation principle was not breached by such provisions.

In parallel proceedings in New York, Judge Peck of the U.S. Bankruptcy Court for the Southern District of New York granted Lehman Brothers Special Finance Inc.'s ("**LBSF**") motion for summary judgement on the basis that the effect was that the provisions do infringe the anti-deprivation principle in a U.S. insolvency. Judge Peck acknowledged that this resulted in the U.S. courts coming to a decision "directly at odds with the judgement of the English Courts". In New York, whilst leave to appeal was granted, the case was settled before an appeal was heard. Therefore concerns still remain that the U.S. courts will diverge in their approach which, in the case of an unfavourable decision in New York, may adversely affect the Issuer's ability to make payments on the Notes.

If a creditor of the Issuer (such as the Swap Counterparty) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales (including, but not limited to, the US), and it is owed a payment by the Issuer, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the Transaction Documents (such as a provision of the relevant Priority of Payments which refers to the ranking of the Swap Counterparty's rights in respect of certain amounts under the Swap Agreement). In particular, based on the decision of the US Bankruptcy Court referred to above, there is a risk that such subordination provisions would not be upheld under US bankruptcy law. Such laws may be relevant in certain circumstances with respect to a range of entities which may act as a Swap Counterparty, including US established entities and certain non-US established entities with assets or operations in the US (although the scope of any such proceedings may be limited if the relevant non-US entity is a bank with a licensed branch in a US state). In general, if a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales and any relevant foreign judgment or order was recognised by the English courts, there can be no assurance that such actions 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.

Given the general relevance of the issues under discussion in the judgments referred to above and that the Transaction Documents include terms providing for the subordination of certain payments under the Swap Agreement, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English courts) may result in negative rating pressure in respect of the

Notes. If any rating assigned to any of the Senior Notes is lowered, the market value of such Senior Notes may reduce.

### **32. Liability and Limited Recourse under the Notes**

The Notes represent obligations of the Issuer only, and do not represent obligations of the Joint Lead Managers, the Joint Arrangers, the Joint Bookrunners, the Trustee, FRB London or any of its Affiliates or any Affiliate of the Issuer or any other third person or entity. Neither the Joint Arrangers, nor the Joint Bookrunners, nor the Joint Lead Managers, nor the Trustee, nor FRB London or any of its Affiliates, nor any Affiliate of the Issuer, nor any other third person or entity, assume any liability to the Noteholders if the Issuer fails to make a payment due under the Notes.

All payment obligations of the Issuer under the Notes constitute limited recourse obligations to pay solely of the Issuer and therefore the Noteholders will have a claim under the Notes against the Issuer only to the extent of the Available Distribution Amount which includes, *inter alia*, amounts received by the Issuer under the Purchased Receivables and under the other Transaction Documents. The Available Distribution Amount may not be sufficient to pay amounts accrued under the Notes, which may result in an Interest Shortfall, however, no interest payable in relation to the Most Senior Class Outstanding shall be deferred pursuant to the Conditions.

In addition, if the Servicer does not provide a Servicing Report on a Servicing Report Performance Date, payments of principal on all classes of the Notes and payments of interest on all classes of Notes other than the Most Senior Class Outstanding will be deferred. In such circumstances, interest will continue to accrue on the Principal Outstanding Amount of the Notes, and it is therefore possible that the assets of the Issuer shall be extinguished prior to redemption of the Notes in full. Any deferral of principal may also adversely affect a Noteholder's ability to sell and/or the price a Noteholder receives for the Notes in the secondary market.

The Notes shall not give rise to any payment obligation in addition to the foregoing. The enforcement of the payment obligations under the Notes shall only be effected by the Trustee in accordance with the Trust Deed. If the Trustee enforces the claims under the Notes, such enforcement will be limited to the Issuer Security. To the extent that such assets, or the proceeds of the realisation thereof, prove ultimately insufficient to satisfy the claims of all Noteholders in full, then any shortfall arising shall be extinguished and no Noteholder, nor the Trustee, shall have any further claims against the Issuer, nor shall be able to petition for the winding up of the Issuer.

### **33. Absence of a Secondary Market**

Although an application has been made to list the Notes on the Irish Stock Exchange, there can be no guarantee that there will be a secondary market for the Notes. The absence of a secondary market for the Notes could limit a Noteholder's ability to resell them. This means that if a Noteholder wants to sell any of its Notes before they mature, it may be unable to find a buyer or, if it does find a buyer, the selling price may be less than it would have been if a secondary market existed. Whilst there has been some recent improvement in the asset-backed securities market, if a secondary market for the Notes does develop, it might not continue or it might not be sufficiently liquid to allow Noteholders to resell any of the Notes.

Recent and continuing events in the global financial markets have caused a significant reduction in liquidity in the secondary market for asset-backed securities (including investment funds with little or no exposure to sub-prime mortgages) and increased investor yield requirements for those loans and securities. These events include:

- the failure, acquisition or government seizure of several major financial institutions;
- the establishment of government initiatives such as the government bailout programmes for financial institutions and assistance programmes designed to increase credit availability, support economic activity and facilitate renewed consumer lending;
- problems related to subprime mortgages and other financial assets;
- the de-valuation of various assets in secondary markets;
- the forced sale of asset-backed and other securities as a result of the de-leveraging of structured investment vehicles, hedge funds, financial institutions and other entities; and
- the lowering of ratings on certain asset-backed 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.

The limited liquidity in the secondary market for asset-backed securities has had an adverse effect on the market value of asset-backed securities. Whilst there has been a gradual return to the secondary market in the second half of 2010, the 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, investors may not be able to sell their Notes readily. The market value of the Notes are likely to fluctuate. Any of these fluctuations may be significant and could result in significant losses to Noteholders.

The liquidity of a secondary market for the Notes may be further constrained by the concentration of holdings of the Notes in a limited number of investors. In addition, the forced sale into the market of securities and other assets held by structured investment vehicles, hedge funds, issuers of collateralised debt obligations, banks and other financial institutions and other similar entities that are currently experiencing funding difficulties would adversely affect investors' ability to sell and/or the price investors receive for, the Notes in the secondary market.

#### **34. Compliance with Article 122a of the CRD**

Article 122a of the CRD places an obligation on a credit institution that is subject to the CRD (a "**CRD Credit Institution**") which assumes exposure to the credit risk of a securitisation (as defined in Article 4(36) of Directive 2006/48/EC) to ensure that the originator, sponsor or original lender has explicitly disclosed that it will fulfil its Retention Obligation (as defined below), and to have a thorough understanding of all structural features of a securitisation transaction that would materially impact the performance of their exposures to the transaction. Whilst the Seller is not a CRD Credit Institution, it is an originator for the purposes of Article 4(41) of Directive 2006/48/EC, and it will undertake in the Receivables Purchase Agreement to retain, on an ongoing basis, a material net economic interest in the securitisation of not less than 5% of the nominal amount of the securitised exposures (the "**Retention Obligation**"). The Seller will retain such net economic interest through retention of randomly selected "exposures" (i.e. Receivables), equivalent to no less than 5% of the nominal amount of the "securitised exposures" (i.e. the Purchased Receivables) at the Purchase Date, where such exposures would otherwise have been securitised in the securitisation, provided that the number of potentially securitised exposures is no less than 100 at origination. A pool of exposures (being Receivables) will be randomly selected and retained by the Seller as the Retained Interest as set out in the section headed "THE RETAINED INTEREST POOL". The Seller will undertake not to hedge, sell or in any other way mitigate its credit risk in relation to such retained exposures. The Principal Balance of the retained exposures may be reduced over time by, amongst other things, amortisation, allocation of losses or defaults on the underlying Receivables. The Investor Report will also set out monthly confirmation as to the Seller's continued holding of the original retained exposures. It should be noted that there is no certainty that references to the Retention Obligation in this Prospectus or the undertakings in the Receivables Purchase Agreement will constitute explicit disclosure (on the part of the Seller) or adequate due diligence (on the part of the Noteholders) for the purposes of Article 122a and there can be no certainty that the Seller will comply with its undertakings set out in the Receivables Purchase Agreement.

If the Seller does not comply with its undertakings set out in the Receivables Purchase Agreement, the ability of the Noteholders to sell and/or the price investors receive for, the Notes in the secondary market may be adversely affected.

Article 122a of the CRD also places an obligation on CRD Credit Institutions, before investing in a securitisation and thereafter, to analyse, understand and stress test their securitisation positions, and monitor on an ongoing basis and in a timely manner performance information on the exposures underlying their securitisation positions. The Seller has undertaken to provide, or procure that the Servicer shall provide to the Issuer, the Trustee and the Cash Manager such information as may be reasonably required by the Noteholders to be included in the Investor Report to enable such Noteholders to comply with their obligations pursuant to the CRD. Where the relevant requirements of Article 122a of the CRD are not complied with in any material respect and there is negligence or omission in the fulfilment of the due diligence obligations on the part of a CRD Credit Institution that is investing in the Notes, a proportionate additional risk weight of no less than 250% of the risk weight (with the total risk weight capped at 1250%) which would otherwise apply to the relevant securitisation position shall be imposed on such CRD Credit Institution, progressively increasing with each

subsequent infringement of the due diligence provisions. Noteholders should make themselves aware of the provisions of the CRD and make their own investigation and analysis as to the impact of the CRD on any holding of Notes.

The provisions of Article 122a of the CRD came into force on 31 December 2010. To date there is limited guidance, and no regulatory or judicial determination, on the interpretation and application of Article 122a. Until additional guidance is available and such determinations are made, there will be uncertainty about the interpretation and application of these provisions. Noteholders should take their own advice on compliance with, and the application of, the provisions of Article 122a.

### **35. Book-Entry Registration**

The Notes will be represented by Global Notes delivered to a common safekeeper for Clearstream, Luxembourg and Euroclear, and will not be held by the beneficial owners or their nominees. The Global Notes will not be registered in the names of the beneficial owners or their nominees. As a result, unless and until Notes in definitive form are issued, beneficial owners will not be recognised by the Issuer or the Trustee as Noteholders, as that term is used in the Trust Deed. Until such time, beneficial owners will only be able to exercise their rights in relation to the Notes indirectly, through Clearstream, Luxembourg or Euroclear (as the case may be) and their respective participating organisations, and will receive notices (which, so long as the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, will be published in the Company Announcements section of the website of the Irish Stock Exchange [www.ise.ie](http://www.ise.ie).) and other information provided for under the Conditions of the Notes only if and to the extent provided by Euroclear or Clearstream, Luxembourg (as the case may be) and their respective participating organisations.

### **36. Denominations of Notes**

The denomination of the Notes is £100,000 and integral multiples of £1,000 in excess thereof. Therefore, it is possible that the Notes may be traded in amounts in excess of £100,000 that are not integral multiples of £100,000. In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than £100,000 will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more denominations.

### **37. The Issuer's Reliance on Third Parties**

The Issuer is a party to contracts with a number of other third parties that have agreed to perform certain services in relation to, *inter alia*, the Notes. For example, the Swap Counterparty has agreed to enter into the Swap Agreement, the Corporate Services Provider has agreed to provide corporate services to the Issuer and the Servicer, the Cash Manager, the Agent Bank and the Paying Agent have agreed to provide servicing, cash administration, payment, administration and calculation services in connection with the Notes and the Financing Contracts. In the event that any relevant third party fails to perform its obligations under the respective agreements to which it is a party, the Noteholders may be adversely affected.

### **38. Issuer Security**

Although the Trustee will hold the benefit of the Issuer Security created under and pursuant to the Deed of Charge and the Assignment in Security on trust for, *inter alios*, the Noteholders, such Issuer Security will also be held on trust for certain other parties that will rank ahead of the Noteholders.

In the event that the Issuer Security is enforced, the proceeds of such enforcement may be insufficient, after payment of all other claims ranking in priority to amounts due under the Notes, to pay in full all amounts of principal and interest (and any other amounts) due in respect of the Notes. Prior to the final maturity of the Notes, enforcement of the Issuer Security by the Trustee is the only remedy available for the purpose of recovering amounts owed in respect of the Notes.

### **39. Rights Available to Holders of Notes of Different Classes**

In performing its duties as trustee for the Noteholders, the Trustee will have regard to the interests of all Noteholders. Where, however, there is a conflict between the interests of the holders of one class of Notes and the holders of the other class of Notes, the Trustee will be required to have regard only to the holders of the Most Senior Class Outstanding and will not have regard to any lower ranking class of Notes nor to the interests of the other Transaction Creditors except to ensure the application of the Issuer's funds after the delivery of a notice of an Enforcement Event in accordance with the Post-Enforcement Order of Priority.

#### **40. Ratings of Senior Notes and Confirmations of Ratings**

The ratings assigned to the Senior Notes by the Rating Agencies are based on the terms of the Transaction Documents and other relevant structural features of this transaction, including the short-term unsecured, unguaranteed and unsubordinated debt ratings of the Swap Counterparty and reflect only the views of the Rating Agencies. The ratings assigned by Fitch address (i) the payment of interest on the Class A Notes and the Class B Notes at the applicable rate of interest, in each case on each Payment Date or, should payment of interest be deferred pursuant to the Conditions, on or before the Final Maturity Date and (ii) the ultimate repayment of the Principal Amount Outstanding of the Senior Notes on or before the Final Maturity Date. The ratings assigned by Moody's address (i) the timely payment of interest on the Class A Notes and (ii) the expected loss posed to investors in the Class A Notes and the Class B Notes by the Final Maturity Date. The Class C Notes and the Class D Notes will not be rated. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by any of the Rating Agencies. There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the Rating Agencies as a result of changes in or unavailability of information or if, in the judgement of the Rating Agencies, circumstances so warrant. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact upon the value of the Senior Notes.

Agencies other than the Rating Agencies could seek to rate the Notes and, if such unsolicited ratings are lower than the comparable ratings assigned to the Senior Notes by the Rating Agencies, those shadow ratings could have an adverse effect on the value of the Notes. For the avoidance of doubt and unless the context otherwise requires, any references to "**ratings**" or "**rating**" in this Prospectus are to ratings assigned by the specified Rating Agencies only.

#### **41. No Gross-up for Taxes**

Should any withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by any government or state with authority to tax or any political subdivision or any authority thereof or therein having power to tax be required to be made from any payment in respect of the Notes (as to which, in relation to the United Kingdom, see "TAXATION" below), neither the Issuer, the Trustee nor the Paying Agent will be obliged to make any additional payments to Noteholders to compensate them for the reduction in the amounts that they will receive as a result of such withholding or deduction.

#### **42. EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria may instead (unless during that period they elect otherwise) impose a withholding system (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld). A number of non-EU countries and territories have adopted similar measures to the EU Directive.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of or in respect of tax were to be withheld from that payment, neither the Issuer, the Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on a payment made by the Paying Agent, the Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

The European Commission has proposed certain amendments to the EU Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above.

#### **43. New U.S. Tax law**

The Foreign Account Tax Compliance Act ("**FATCA**") provisions of the U.S. Hiring Incentives to Restore Employment created a new 30% withholding tax on "withholdable payments" made to foreign financial institutions ("**FFIs**") and non-financial foreign entities ("**NFFEs**") after 31 December 2012.

There are a number of issues that need to be clarified in future guidance from the United States Internal Revenue Service (the "**IRS**") with respect to the application of, and exemptions from, withholding

under FATCA. The IRS has provided guidance on some issues through the publication of Notice 2010-60, 2010-37 I.R.B. 329, Notice 2011-34, 2011-19 I.R.B. 765, and Notice 2011-53, 2011-32 I.R.B. 124 (collectively, the “**FATCA Notices**”). In addition, on 15 February 2012, the IRS published proposed regulations under FATCA. Additional guidance is expected. When and if the proposed regulations will be finalized is not certain, and it is possible that future guidance or the final regulations may differ significantly from the proposed regulations. In addition, it is anticipated that certain conforming changes will be made to U.S. withholding rules currently in effect.

As of the date of this prospectus, the 31 December 2012 implementation date has been postponed to apply to payments made after 31 December 2013 for most types of withholdable payments, and to payments made after 31 December 2014 for certain other types of payments. It is unclear whether an additional deferral may be granted. The proposed regulations, however, would defer implementation of several (but not all) specific requirements under FATCA.

FATCA withholding generally does not apply to obligations outstanding on 18 March 2012 (the “**Grandfather Rule**”). The proposed regulations would extend grandfather status to obligations outstanding on 1 January 2013. For this purpose an obligation is limited to legal obligations treated as debt for U.S. federal income tax purposes with a definite expiration or term. In addition, obligations benefitting from the Grandfather Rule may lose grandfathered status in the event they are modified.

Withholdable payments include most U.S. source investment income other than income effectively connected with a U.S. trade or business. Withholdable payments under United States Internal Revenue Code include items that are not subject to withholding under current law. To the extent such items are subject to withholding but exempt from U.S. tax, it may be possible to obtain the benefit of the exemption by filing a claim for refund. However, the manner and limitations on such claims awaits clarification in future guidance and a refund may not be available in all circumstances. Where a refund is available to a Noteholder, the amount of the refund available will generally be treated as an amount paid on the Note by the Issuer.

The Issuer believes that none of the payments it receives with respect to the Purchased Obligations, investment earnings on cash reserves and other investments it holds, or payments it receives from the Counterparty, will constitute U.S. source income or withholdable payments within the meaning of FATCA. However, there can be no assurance that payments received by the Issuer will not be subject to withholding under FATCA. U.S. withholding tax, to the extent applicable, will reduce the cash available to the Issuer to make payments on the Notes.

Withholding on payments to an FFI generally can be avoided if the FFI assumes certain due diligence and reporting obligations with respect to U.S. accounts under an agreement with the IRS. Other exemptions may be available. While the terms of this agreement are not yet available, if the Issuer were determined to be an FFI and entered into an agreement with the IRS, it would be obligated to identify U.S. accounts (i.e., direct and certain indirect U.S. Noteholders) and report information on such accounts to the IRS. In addition, the Issuer would be required to withhold on certain “passthru payments” made to certain other FFIs or to certain “recalcitrant” Noteholders who refused to provide sufficient information on U.S. ownership. The Issuer might also be required either to (i) redeem Notes held directly or indirectly by U.S. persons to the extent such persons refused to waive bank secrecy protections in order to allow the Issuer to report information to the IRS or (ii) risk having its agreement with the IRS revoked.

The Issuer has not made any decision whether it will enter into an agreement with the IRS if it determines it is an FFI and does not qualify for another exemption. The Issuer will decide whether to enter into such an agreement, and whether to terminate such agreement if it does enter into one, in its sole and absolute discretion, subject to the consent of the Trustee. As explained above, if the Issuer enters into such an agreement with the IRS, it will be required to provide certain information on direct or indirect U.S. ownership of Notes. This could result in an audit of the Noteholder or its direct or indirect owners. Such an audit could result in an examination of tax items unrelated to the Notes and could result in the imposition of additional taxes, penalties and interest. The Issuer is not responsible for providing representation for any Noteholder or its owners in the event of an audit. Noteholders or their owners would be required to retain and pay their own counsel in connection with an audit and would bear any costs associated with such audit.

Because many aspects of the application of FATCA to the Issuer are uncertain and will have to be addressed in future regulatory guidance from the IRS, it is not clear at this time what actions, if any, will be required to minimise the impact of FATCA on the Issuer and the Noteholders. No assurance can be given that the Issuer will take any actions or that, if actions are taken, they will be successful in

minimising the new withholding tax. In accordance with the Trust Deed, the Issuer is permitted, subject to the consent of the Trustee, to make any modifications to the provisions of the Trust Deed and the Transaction Documents in order to minimise or eliminate any withholding tax imposed on the Issuer as a result of FATCA. The Issuer is also permitted, subject to the consent of the Trustee, to enter into or terminate with the IRS an agreement exempting it from withholding.

Because of the uncertainty of the issues surrounding the application of FATCA and its application to the Issuer, each Noteholder should consult its own tax advisor to obtain a more detailed explanation of FATCA, to learn how it might affect such holder in its particular circumstance, and with regard to FATCA guidance released after the date of this prospectus.

### **USE OF PROCEEDS**

The aggregate net proceeds from the Notes amount to approximately £254,203,125 and will be used to purchase the Purchased Receivables from the Seller, to endow the Cash Reserve Account with £5,130,000, being the Initial Cash Reserve Amount, and to pay certain initial costs of the transaction.

On the Closing Date all proceeds from the Notes will be fully utilised.



## **DESCRIPTION OF THE PURCHASED RECEIVABLES**

The Purchased Receivables are receivables from motor vehicle Financing Contracts originated by the Seller through vetted motor dealers. The Financing Contracts contain the Seller's standard financing terms and are motor vehicle hire purchase agreements. The Financing Contracts have been entered into by the Seller in the name of Carlyle Finance. Carlyle Finance is a FirstRand Bank Limited trade name registered in the UK with the Financial Services Authority and the Office of Fair Trading. The Financed Objects are new or used motor vehicles and each Financing Contract has been entered into with individuals or with companies.

The Financing Contracts contain standard rental terms where an initial payment is made and then the balance is typically amortised in equal payment instalments. At the end of the term of the Financing Contract, after an additional "option to purchase" fee is paid, the Obligor owns the vehicle.

Payment instalments under the Financing Contracts are due on a monthly basis and carry a fixed rate of return, typically amortised in equal monthly instalments over the repayment period which varies between 12 and 60 months.

## SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS

The description of certain of the Transaction Documents set out below is a summary of certain features of such documents and is qualified by reference to the detailed provisions thereof.

### **Receivables Purchase Agreement**

On the Closing Date, the Seller and the Issuer will enter into an agreement (the "**Receivables Purchase Agreement**") pursuant to which the Issuer will, on the Purchase Date, purchase from the Seller the Purchased Receivables (comprising the pool of Receivables as at the Cut-Off Date).

### *Warranties and Representations for the Sale of the Purchased Receivables*

In the Receivables Purchase Agreement the Seller will warrant and represent the following, as of the Cut-Off Date, in relation to the Purchased Receivables sold by it on the Purchase Date:

- a) each related Financing Contract relates to the financing of the purchase of a single motor vehicle;
- b) no Purchased Receivable was overdue for an amount greater than £70 at the Cut-Off Date;
- c) that terminations of the relevant Financing Contracts have not occurred and are not pending;
- d) on the Cut-Off Date at least one instalment has been paid in respect of each of the Purchased Receivables;
- e) the total outstanding amount of Purchased Receivables assigned pursuant to the Receivables Purchase Agreement resulting from relevant Financing Contracts with one and the same Obligor will not exceed £65,241.49;
- f) that under each Financing Contract that is regulated by the Consumer Credit Act 1974 (as amended) as at the Cut-Off Date no right of cancellation has arisen (except for any rights under Sections 56 and 67 of the Consumer Credit Act 1974);
- g) that (according to FRB London's records as at the Cut-Off Date) no insolvency proceedings have been initiated against any of the Obligors during the term of the relevant Financing Contracts up to the Cut-Off Date;
- h) the relevant Financing Contracts constitute legal, valid, binding and enforceable agreements, except as such enforcement may be limited by bankruptcy, insolvency or administration proceedings;
- i) the Purchased Receivables are assignable;
- j) the Seller can dispose of the Purchased Receivables free from rights of third parties;
- k) the Purchased Receivables are free of defences, whether preemptory or otherwise for the agreed term of the Financing Contract as well as free from rights of third parties and that the Obligors in particular have no set-off claim;
- l) the status and enforceability of the Purchased Receivables is not impaired due to warranty claims or any other rights of the Obligor (even if the Issuer knew or could have known on the Cut-Off Date of the existence of such defences or rights);
- m) the status and enforceability of the Purchased Receivables is not impaired by set-off rights;
- n) none of the Obligors is an Affiliate of FRB London;
- o) the related Financing Contracts are governed by the laws of England and Wales;
- p) the related Financing Contracts have been entered into exclusively with Obligors which, if they are corporate entities have their registered office in England, Wales or Scotland, or, if they are individuals have their place of residence in England or Wales or Scotland;
- q) FRB London had at the time of the origination of the Financing Contracts under which such Purchased Receivables arise the necessary licences pursuant to the Consumer Credit Act 1974 (as amended) and each Financing Contract that is regulated by the Consumer Credit Act 1974 (as amended) complies with the Consumer Credit Act 1974 (as amended) and any statutory instrument or regulation made thereunder;

- r) FRB London has not done anything that would cause such Purchased Receivable to be invalid or irrevocable under the Consumer Credit Act 1974 (as amended);
- s) FRB London has complied with all material laws and regulations under the Data Protection Act 1998 with respect to each of the Purchased Receivables;
- t) FRB London has originated each Purchased Receivable pursuant to a Financing Contract (a) in the form of a Standard Form Contract or (b) in any revised or substitute form which is in accordance with the Customary Operating Practices or as otherwise agreed with the Issuer and the Trustee (acting reasonably);
- u) FRB London holds legal title to the related Financed Objects;
- v) the relevant Financing Contracts are denominated in Pounds Sterling;
- w) the terms and conditions of each related Financing Contract provide for fixed monthly payments and may include a final balloon payment;
- x) the current repayment period under the related Financing Contracts varies between 12 and 61 months;
- y) the date on which the vehicle was first registered is no earlier than 1 January 1995; and
- z) the Original LTV of the Financing Contract is no more than 125%.

#### *Repurchase*

In the event of a breach of any of the warranties set forth above at the Cut-Off Date or Purchase Date (as applicable) which materially and adversely affects the interests of the Issuer or the Noteholders, the Seller shall have until the end of the Monthly Period which includes the thirtieth (30th) day (or, if the Seller elects an earlier date) after the date that the Seller became aware or was notified of such breach to cure or correct such breach (the "**Cure Period**"). Any such breach or failure will not be deemed to have a material and adverse effect if such breach or failure does not affect the ability of the Issuer to receive and retain timely payment in full on the related Purchased Receivable. If the Seller does not cure or correct such breach prior to the end of the Cure Period, then the Seller shall repurchase the Purchased Receivables affected by such breach from the Issuer on the Payment Date following the expiration of such Cure Period. Any such repurchase shall be at a price equal to the Principal Balance of such Purchased Receivables as of the relevant Repurchase Date (the "**Repurchase Amount**").

If a Purchased Receivable does not exist at the time of its purported assignment to the Issuer, the Seller shall pay an amount equal to the amount paid by the Issuer for such non-existent Receivable as of the date of such payment to the Issuer on the Payment Date following notification from the Servicer of such non-existence.

#### *Clean-Up Call*

The Issuer will be entitled to exercise the Clean-Up Call by selling the Purchased Receivables for the Clean-Up Call Settlement Amount at any time when the sum of the Aggregate Principal Balance for all outstanding Purchased Receivables is less than 10 per cent. of the sum of the Aggregate Cut-Off Date Principal Balance of the Purchased Receivables provided that the conditions set out in Condition 7.3 (*Redemption and Cancellation - Optional Redemption in Whole*) for redemption of the Notes are satisfied.

In calculating the Clean-Up Call Settlement Amount, the risk of losses, if any, shall be taken into account resulting in a fair market value. The Clean-Up Call Settlement Amount shall be due immediately on exercise of the Clean-Up Call.

#### *Notification Event*

At any time after the occurrence of a Notification Event, the Issuer (in order to perfect its title to the Purchased Receivables) or the Trustee may:

- a) give notice in its own name (and/or require the Servicer to give notice on its behalf) to all or any of the Obligor of the sale and assignment of all or any of the Purchased Receivables; and/or
- b) direct (and/or require the Servicer to direct) all or any of the Obligor to pay amounts outstanding in respect of Purchased Receivables directly to the Issuer, the Issuer Account or any other account which is specified by the Issuer; and/or

- c) give instructions (and/or require the Servicer to give instructions) to immediately transfer any Collections standing to the credit of the Collection Accounts to the Issuer Account; and/or
- d) take such other action as it reasonably considers to be necessary, appropriate or desirable (including taking the benefit of title to the Financed Objects to the extent permitted by law) in order to recover any amount outstanding in respect of Purchased Receivables or to improve, protect, preserve or enforce their rights against the Obligors in respect of Purchased Receivables.

*Undertakings in relation to Article 122a of the CRD*

In the Receivables Purchase Agreement the Seller will undertake the following in relation to Article 122a of the CRD:

- (a) to retain the original Retained Interest, as randomly selected at the Closing Date, until the Principal Amount Outstanding of the Notes is reduced to zero;
- (b) to confirm to the Issuer and Cash Manager on each Servicing Report Performance Date that it continues to hold the Retained Interest;
- (c) to provide notice to the Issuer, the Trustee and the Cash Manager as soon as practicable in the event it no longer holds the Retained Interest;
- (d) that at the time of random selection of the Retained Interest there are no arrangements pursuant to which the Principal Balance of the Receivables constituting the Retained Interest will decline over time materially faster than the Principal Balance of the Purchased Receivables;
- (e) not to reduce its credit exposure to the Retained Interest either through hedging or the sale of all or part of the Retained Interest;
- (f) to provide to the Servicer such information as may be reasonably required by the Noteholders to be included in the Investor Report to enable such Noteholders to comply with their obligations pursuant to the CRD; and
- (g) to provide, or procure that the Servicer shall provide, to the Issuer, the Trustee and the Cash Manager such information as may be reasonably required by the Noteholders to be included in the Investor Report to enable such Noteholders to comply with their obligations pursuant to the CRD.

*Applicable Law and Jurisdiction*

The Receivables Purchase Agreement and all non-contractual matters arising from or connected with it will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales have exclusive jurisdiction to hear any disputes that may arise in connection with the Receivables Purchase Agreement.

**Servicing Agreement**

On the Closing Date, the Issuer and FRB London, *inter alia*, will enter into an agreement (the "**Servicing Agreement**"), pursuant to which FRB London will be instructed to act as Servicer and to carry out certain management, collection and recovery activities in relation to the Purchased Receivables in accordance with its Customary Operating Practices in effect from time to time using the same degree of skill and attention that the Servicer exercises with respect to comparable vehicle Financing Contracts that the Servicer administers for itself or others.

Upon the replacement of FRB London by the Back-up Servicer pursuant to the terms of the Back-up Servicing Agreement, the Back-up Servicer will service the Purchase Receivables in accordance with its policies applicable from time to time, subject to the terms of the Back-up Servicing Agreement.

*Servicer's Duties*

The duties of the Servicer will be set out in the Servicing Agreement and will include, but not be limited to:

- (a) servicing and administering the Purchased Receivables;

- (b) implementing enforcement procedures and undertaking enforcement proceedings in relation to defaulted Purchased Receivables and any Obligor that may default on their obligations under the relevant Financing Contract;
- (c) servicing and administering Collections received in respect of the Purchased Receivables;
- (d) preparing monthly reports in relation to the Portfolio;
- (e) providing information to the Back-up Servicer as required under the Servicing Agreement and the Back-up Servicing Agreement;
- (f) administering relationships with the Obligor; and
- (g) transferring any VAT Adjustment Amounts to the Issuer Account.

Information as to the present Customary Operating Practices of FRB London are described in the section entitled "BUSINESS PROCEDURES OF FIRSTRAND BANK LIMITED ACTING THROUGH ITS LONDON BRANCH"; however, FRB London will be permitted to change those business procedures from time to time at its discretion.

FRB London will inform the Rating Agencies without undue delay in the event that its Customary Operating Practices are changed in a way which could have a material adverse effect on the payment of the Senior Notes.

#### *Collection and Distribution Duties of the Servicer*

The Servicer will procure that all Collections are paid into the Collection Accounts. At the close of each Transfer Date, the Servicer will transfer the Collections received in the Collection Accounts to the Issuer Account.

#### *Servicing Report*

Under the Servicing Agreement the Servicer has undertaken to provide to the Issuer, the Trustee, the Back-up Servicer and the Cash Manager on each Servicing Report Performance Date a Servicing Report which will set out information on, among other things, the Collections, the performance of the Portfolio and delinquency information for delinquency periods of up to one month, one month to two months, two months to three months, three months to six months and more than six months with respect to the number of Financing Contracts in respect of Delinquent Receivables, and the total outstanding Principal Balance of the Delinquent Receivables.

Under the aforementioned agreement, the Servicer will also provide the Rating Agencies with such other information as they may reasonably request.

#### *Delegation*

The Servicer is permitted to delegate some or all of its duties to other entities, including its Affiliates and subsidiaries, although the Servicer will remain liable for the performance of any duties that it delegates to another entity.

#### *Servicing Fees*

On each Payment Date the Servicer will be entitled to receive a fee for the preceding Monthly Period (or, in the case of the first Payment Date, a fee for the period commencing on the Closing Date to (but excluding) the Payment Date falling on 21 May 2012). The Servicer will pay all expenses incurred by it in connection with its collection activities and will not be entitled to reimbursement of those expenses. The Servicer will have no responsibility, however, to pay or fund any credit losses with respect to the Purchased Receivables.

#### *Successor Servicer*

Following the occurrence of a Servicer Replacement Event, the Issuer may, with the consent of the Trustee, terminate the appointment of the Servicer by giving notice thereof to the Servicer. Upon the termination of the appointment of the Servicer under the Servicing Agreement, the Back-up Servicer will, within 60 days of receiving notice of the same, replace the Servicer on terms substantially similar to those set out in the Servicing Agreement.

The dismissal of FRB London as Servicer shall only become effective after the Back-up Servicer has assumed responsibility for performing the Services or a new Servicer has been appointed on terms substantially similar to the existing Servicing Agreement.

### *Applicable Law and Jurisdiction*

The Servicing Agreement and all non-contractual matters arising from or connected with it will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales will have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

### **Back-up Servicing Agreement**

On the Closing Date, the Issuer will appoint the Back-up Servicer to perform back-up services pursuant to a back-up servicing agreement between, *inter alios*, the Issuer, the Servicer and the Back-up Servicer dated on or prior to the Closing Date (the "**Back-up Servicing Agreement**").

The Back-up Servicer has agreed to perform certain servicing duties, which include (but are not limited to):

1. conduct annual on-site operational reviews to include:
  - (a) re-running the operational review / due diligence;
  - (b) reviewing the key origination and servicing documentation and processes;
  - (c) reviewing any changes to the process required to produce the Servicing Report;
  - (d) reviewing the Servicer's Systems;
2. deliver to the Issuer a report setting out the results of the operational review, performed by the Back-up Servicer in accordance with item 1 above, within 15 Business Days after the end of each such annual review period;
3. access HML's IT Service Provider data centre and successfully run a segregation routine in respect of the Purchased Receivables on an annual basis;
4. inform the Issuer and the Trustee within 15 days of any change to the entities providing IT solutions to the Back-up Servicer;
5. deliver to the Issuer, the Trustee and the Servicer a report, on a CD-Rom or as otherwise agreed, confirming that it has accessed HML's IT Service Provider data centre and successfully run a segregation routine in respect of the Purchased Receivables as required in item 3 above, no later than 15 Business Days following the end of each annual period;
6. deliver to the Issuer, the Trustee and the Servicer any rating agency report on the Back-up Servicer;
7. inform the Issuer, the Trustee, the Cash Manager and the Servicer of any change in its servicer rating for consumer loans, to the extent applicable, or, where the Back-up Servicer is not rated for servicing consumer loans, any change in its parent company's corporate rating, within 15 days of becoming aware of such change;
8. deliver to the Issuer and the Trustee on an annual basis a version of the servicing report based on data received from HML's IT Service Provider data application and confirm whether it matches the relevant Servicing Report as delivered by the Servicer.

On each Payment Date occurring before the Back-up Servicer replaces the Servicer following a Servicer Replacement Event, the Back-up Servicer will be entitled to receive a fee for the preceding Monthly Period (or, in the case of the first Payment Date, a fee for the period commencing on the Closing Date to (but excluding) the Payment Date falling on 21 May 2012).

The Back-up Servicer is permitted to delegate some or all of its duties to other entities, including its Affiliates and subsidiaries, although the Back-up Servicer will remain liable for the performance of any duties that it delegates to another entity.

Upon the termination of the appointment of the Servicer under the Servicing Agreement, the Back-up Servicer will, within 60 days of receiving notice of the same, replace the Servicer on terms substantially similar to those set out in the Servicing Agreement.

The Back-up Servicing Agreement may be terminated by the Back-up Servicer with a 6 months notice to the Issuer, the Servicer and the Trustee, provided that a replacement Back-up Servicer has been appointed in accordance with the Back-up Servicing Agreement. If the Issuer fails to appoint a replacement Back-up Servicer within 12 months of the notice by the Back-up Servicer, the Back-up Servicer may terminate the Back-up Servicing Agreement.

Under the terms of the Back-up Servicing Agreement, the Back-up Servicer's liability arising by reason of or in connection with the Back-up Servicing Agreement shall be limited in any calendar year to £5 million in aggregate unless such liability is occasioned by the wilful misconduct, gross negligence, or fraud of the Back-up Servicer. After a Servicer Replacement Event, HML's liability arising by reason of or in connection with the replacement servicing agreement shall be limited in any calendar year to £7.5 million in aggregate unless such liability is occasioned by the wilful misconduct, gross negligence, or fraud of HML.

The Back-up Servicing Agreement and all non-contractual matters arising from or connected with it will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales will have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

### **Cash Management Agreement**

On the Closing Date, the Issuer and the Cash Manager, *inter alia*, will enter into an agreement (the "**Cash Management Agreement**"), pursuant to which BNP Paribas Securities Services, Luxembourg Branch will be instructed to act as Cash Manager and to carry out certain cash administration tasks on behalf of the Issuer.

#### *Cash Manager's Duties*

The duties of the Cash Manager will be set out in the Cash Management Agreement and will include, but not be limited to the following:

- a) operating the Accounts in accordance with the instructions of the Issuer, or following a written request from the Trustee following the service of an Enforcement Notice, from the Trustee;
- b) providing the Issuer and the Trustee with certain cash management, calculation, notification and reporting information in relation to the Accounts and the Notes;
- c) taking the necessary action and giving the necessary notices to ensure that the Accounts are credited and debited with the appropriate amounts;
- d) taking all necessary action to ensure that all payments are made out of the Accounts in accordance with the Cash Management Agreement, the Conditions and the Swap Agreement;
- e) maintaining adequate records to reflect all transactions carried out by or in respect of the Accounts; and
- f) investing the funds credited to the Issuer Account and the Cash Reserve Account in Permitted Investments in accordance with the terms and conditions of the Cash Management Agreement.

#### *Administering Accounts*

The Cash Manager will be empowered to administer the Accounts for and on behalf of the Issuer. Amounts standing to the credit of the Issuer Account and the Cash Reserve Account may be invested in Permitted Investments at the direction of the Servicer acting on behalf of the Issuer or, following the delivery of an Enforcement Notice, at the direction of the Trustee. Any amounts so invested shall, on each Calculation Date, be transferred to the Issuer Account or the Cash Reserve Account (as applicable). Net investment earnings from Permitted Investments belong to the Issuer and will be applied as Available Distribution Amounts.

#### *Investor Report*

On or prior to each Calculation Date, the Cash Manager is required to determine the various amounts required to pay interest due on the Notes on the forthcoming Payment Date and all other amounts then payable by the Issuer, and the amounts available to make such payments (subject to adjustment for any amounts received on or before that Payment Date).

The Cash Manager has undertaken to prepare and deliver to the Issuer, the Trustee, the Seller, the Joint Lead Managers, the Servicer, the Back-up Servicer and the Rating Agencies, not fewer than two

Business Days prior to each Payment Date, the Investor Report. The Investor Report will be freely available on the following website: <https://gctabsreporting.bnpparibas.com/index.jsp> and on Bloomberg except to the extent that disclosure of such financial information would at that time breach any law, regulation, Irish Stock Exchange requirement or rules of any applicable regulatory body to which the Cash Manager is subject. The Investor Report will contain the following information:

- a) the aggregate amount to be distributed on each Class A Note, each Class B Note, each Class C Note and each Class D Note on the Payment Date immediately following the provision of the Investor Report;
- b) the repayment of the principal amount attributed to each Class A Note, to each Class B Note, to each Class C Note and to each Class D Note as distributed;
- c) the principal amount still outstanding on each Class A Note, on each Class B Note, on each Class C Note and on each Class D Note as of the Payment Date immediately following;
- d) the amounts available in the Cash Reserve Account immediately following the Payment Date;
- e) the sums corresponding to the administration fees;
- f) delinquency information for delinquency periods of up to one month, one month to two months, two months to three months, three months to six months and more than six months with respect to the number of Financing Contracts in respect of Delinquent Receivables, and the total outstanding Principal Balance of the Delinquent Receivables;
- g) in the event of the final Payment Date, the fact that such date is the final payment date;
- h) confirmation from the Seller at monthly intervals that the Seller continues to hold the Retained Interest; and
- i) such information as provided by the Seller or Servicer as may be reasonably required to be included in the Investor Report so that Noteholders are able to comply with their obligations pursuant to the CRD.

In the event that the Cash Manager does not receive, or there is a delay in the receipt of, some or all the information necessary for it to prepare the Investor Report in respect of any Calculation Date (a "**Servicing Report Delivery Failure**") but the Cash Manager determines that the amounts standing to the credit of the Issuer Account and the Cash Reserve Account are sufficient to pay the interest due on the Most Senior Class Outstanding and any other amount ranking in priority thereto pursuant to the Pre-Enforcement Order of Priority of which it has been notified by the relevant Transaction Parties, the Cash Manager shall:

- a) prepare the payment report (the "**Provisional Payments Report**") on or prior to the relevant Calculation Date based on the information provided in the last supplied Servicing Report and calculate: (i) the amounts of interest due and payable on the Most Senior Class Outstanding and any other amount ranking in priority thereto which it is aware of at such time, on the immediately following Payment Date pursuant to the Pre-Enforcement Order of Priority; and (ii) the fees payable to third parties pursuant to items (i) to (vi) inclusive of the Pre-Enforcement Order of Priority which shall be assumed to be equal to the amount specified in the last available Investor Report;
- b) promptly inform the Issuer, the Trustee and the Swap Counterparty thereof; and
- c) take such commercially reasonable steps, together with the Issuer, the Trustee, and the Account Bank, as are required to apply the amounts standing to the credit of the Issuer Account and the Cash Reserve Account in or towards payment of any interest amount in respect of the Most Senior Class Outstanding and any other payment ranking in priority thereto, on the relevant Payment Date.

For the avoidance of doubt, the parties to the Cash Management Agreement will acknowledge and agree that on the Payment Date immediately following the occurrence of a Servicing Report Delivery Failure and on each subsequent Payment Date, no payment will be made by the Issuer after payment of interest on the Most Senior Class Outstanding until the earliest of (a) a new Servicing Report is produced by the Servicer or any substitute Servicer, (b) the Final Maturity Date and (c) delivery of an Enforcement Notice (in which case, payments will be made pursuant to the Post-Enforcement Order of Priority).



On the Calculation Date immediately following the provision of a new Servicing Report, the Cash Manager will calculate the amounts listed under paragraph (a)(i) and (ii) above making any necessary adjustment to take into account any differences and/or discrepancies between (x) the amounts paid on the relevant preceding Payment Dates (on the basis of the payment report referred to in (a) above) and (y) the actual amounts that would have been due on such Payment Dates had the information necessary for it to prepare the Investor Report been provided (such information being as set out in the Servicing Report).

#### *Delegation*

The Cash Manager is permitted to sub-contract or delegate some or all of its duties to other entities, including its Affiliates and subsidiaries whom it reasonably believes is capable of, and experienced in, performing the functions to be given to it, although the Cash Manager will remain liable for the performance of any duties that it delegates to another entity.

#### *Cash Management Fees*

The Cash Manager will be entitled to receive a fee on each Payment Date for the preceding Monthly Period (or, in the case of the first Payment Date, a fee for the period commencing on the Closing Date to (but excluding) the Payment Date falling on 21 May 2012).

#### *Applicable Law and Jurisdiction*

The Cash Management Agreement and all non-contractual matters arising from or connected with it will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales will have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

#### **Corporate Services Agreement**

Pursuant to the Corporate Services Agreement the Corporate Services Provider will agree to provide certain compliance and secretarial services to the Issuer. In return for the services so provided, the Corporate Services Provider will receive a fee payable by the Issuer on each Payment Date in accordance with the relevant Priority of Payments.

The Corporate Services Agreement may be terminated by any of the parties thereto on not less than 90 calendar days' written notice to the other party or, at any time forthwith by notice in writing if any of the other parties shall have at any time (a) committed a material breach of any of the terms and/or conditions of the Corporate Services Agreement and has not remedied such breach within 30 calendar days (or such other period as shall be agreed between the parties) of being required to do so or (b) been the subject of one or more insolvency events as specified in the Corporate Services Agreement. No termination of the appointment of the Corporate Services Provider may occur unless a successor corporate services provider acceptable to the Issuer has been appointed and has acceded to the terms of the Corporate Services Agreement.

The Corporate Services Provider will provide corporate administration and secretarial services to the Issuer which will include:

- (a) dispatch of shareholder and board meeting notices in accordance with the articles and applicable English law;
- (b) the convening of the annual shareholders meeting and the annual meeting of the board of directors and preparation of written minutes of such meetings;
- (c) handling enquiries and making appropriate filings (or assisting the Issuer's auditors in so doing) as required by applicable English law, regulations and regulators;
- (d) keeping and maintaining books, records, registers and statutory accounts that the company is required to maintain under the Companies Act 2006 (including the register of shareholders and of the directors and secretary) and procuring that the same are made available for inspection and/or supplying copies of such books and registers in accordance with the articles and applicable English law; and
- (e) advising on the appointment of company lawyers and auditors and supervising performance of any agents of the relevant companies.

The Corporate Services Agreement and all non-contractual matters arising from or connected with it will be governed by and construed in accordance with the law of England and Wales.

## **Trust Deed**

On the Closing Date the Issuer and the Trustee will enter into the Trust Deed. Under the terms of the Trust Deed, the Notes will be constituted and will be subject to the provisions in the Trust Deed. The Conditions and the forms of the Notes are set out in the Trust Deed.

The Trustee will agree to hold the benefit of the Issuer's covenant to pay on trust for the Noteholders and the Couponholders.

The Trust Deed contains provisions requiring the Trustee to have regard to the interests of the holders of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes equally as regards all powers, trusts, authorities, duties and discretions of the Trustee (except where expressly provided otherwise), but requiring the Trustee, so long as any Class A Notes are outstanding, to have regard only to the interests of the Class A Noteholders if, in the Trustee's opinion, there is a conflict between the interests of the Class A Noteholders and those of the Class B Noteholders and/or Class C Noteholders and/or Class D Noteholders, and to have regard only to the interests of the Class B Noteholders if, in the Trustee's opinion, there is a conflict between the interests of the Class B Noteholders and those of the Class C Noteholders and/or the Class D Noteholders and to have regard only to the interests of the Class C Noteholders if, in the Trustee's opinion, there is a conflict between the interests of the Class C Noteholders and those of the Class D Noteholders.

In accordance with the terms of the Trust Deed, the Issuer will pay a fee to the Trustee for its services under the Trust Deed at the rate and times agreed between the Issuer and the Trustee together with payment of any liabilities incurred by the Trustee in relation to the Trustee's performance of its obligations under the Trust Deed and each other Transaction Document to which it is a party.

The Trustee from time to time may retire at any time upon giving not less than 90 calendar days' notice in writing to the Issuer without assigning any reason therefor and without being responsible for any costs occasioned by such retirement. The retirement of the Trustee shall not become effective unless there remains a trustee (being a trust corporation) in office after such retirement. No entity may be appointed as trustee without an Extraordinary Resolution of the Most Senior Class Outstanding approving the appointment. The Issuer will agree in the Trust Deed that, in the event of the sole trustee or the only trustee under the Trust Deed giving notice of its retirement, it shall use all reasonable endeavours to procure a new trustee be appointed and, if the Issuer has not procured the appointment of a new trustee within 90 calendar days, the Trustee will have the power to appoint a new trustee.

### *Applicable Law and Jurisdiction*

The Trust Deed and all non-contractual matters arising from or connected with it will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales will have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

## **Deed of Charge**

On the Closing Date the Issuer and the Trustee will enter into the Deed of Charge. As continuing security for the payment or discharge of the Secured Obligations, the Issuer will create in favour of the Trustee, for itself and on trust for the Transaction Creditors, in accordance with the terms of the Deed of Charge:

- (a) an assignment by way of first fixed security of the benefit of all of its present and future right, title and interest to, in and under the Purchased Receivables;
- (b) an assignment by way of first fixed security of the benefit of all of its present and future right, title and interest to, in and under:
  - (i) the Charged Transaction Documents;
  - (ii) each other contract, agreement, deed (other than the Trust Deed) and document, present and future, to which the Issuer is or becomes a party, including, without limitation, all rights to receive payment of any amounts which may become payable to the Issuer thereunder and all payments received by the Issuer thereunder from time to time, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof;

- (c) first fixed security over the benefit of all of its present and future right, title and interest to, in and under any Permitted Investment;
- (d) a first fixed charge over the benefit of each account of the Issuer, other than any such accounts situated outside England and Wales (and any replacement therefor), and all of its other book debts, present and future, the proceeds of the same and all other moneys due and payable to it and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the foregoing; and
- (e) a first floating charge over the whole of the Issuer's undertaking and all the Issuer's property, assets and rights whatsoever and wheresoever present and future including, without limitation, the Issuer's uncalled capital except to the extent otherwise charged or secured under the Deed of Charge (but excepting from such exclusion the whole of the Issuer's undertaking, property, assets and rights situated in Scotland or otherwise governed by Scots law, all of which are charged by the floating charge thereby created).

The Trustee shall hold the benefit of the Issuer Security for the Transaction Creditors from time to time on the terms of the Deed of Charge and the Assignment in Security and shall deal with the Issuer Security and apply all payments, recoveries or receipts in respect of the Issuer Security in accordance with the Conditions of the Notes, the Deed of Charge and the Assignment in Security.

Each of the Transaction Creditors (other than the Trustee) will agree to be bound by the provisions of the Deed of Charge and, in particular, will agree to be bound by the Priority of Payments and the limited recourse and non-petition provisions set out in the Master Framework Agreement.

Only the Issuer Security shall be available to satisfy the Issuer's obligations under the Notes. Accordingly, recourse against the Issuer in respect of such obligations shall be limited to the Issuer Security and the claims of the Transaction Creditors against the Issuer under the Transaction Documents may only be satisfied to the extent of the Issuer Security. Once the Issuer Security has been realised:

- (a) neither the Trustee nor any of the Transaction Creditors shall be entitled to take any further steps or other action against the Issuer to recover any sums due but unpaid;
- (b) all claims in respect of any sums due but unpaid shall be extinguished; and
- (c) neither the Trustee nor any of the Transaction Creditors shall be entitled to petition or take any other step for the winding up of the Issuer.

The Issuer Security shall become enforceable upon the delivery by the Trustee of an Enforcement Notice in accordance with the Conditions.

#### *Applicable Law and Jurisdiction*

The Deed of Charge and all non-contractual matters arising from or connected with it will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales will have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

#### **Account Agreement**

On the Closing Date, the Issuer, the Cash Manager and the Trustee will enter into an account agreement with the Account Bank whereby the Account Bank will open the Accounts in the name of the Issuer. The Account Bank will agree to open and maintain the Accounts which are to be held in the name of the Issuer and provide the Issuer with certain services in connection with account handling and reporting requirements in relation to the monies from time to time standing to the credit of the Accounts. Amounts standing to the credit of the Issuer Account and the Cash Reserve Account may be invested by the Cash Manager on a non-discretionary basis in Permitted Investments in accordance with the provisions of the Cash Management Agreement. In the event of any amount standing to the credit of the Accounts overnight, such amount shall bear interest at a rate agreed between the Issuer and the Account Bank.

The Account Bank will agree to comply with any instructions given by the Cash Manager or the Issuer or the Trustee in relation to the management of the Accounts. The Account Bank will waive all rights of set-off which it may have in respect of the Accounts.

If the short-term, unsecured, unsubordinated and unguaranteed debt rating of the Account Bank is downgraded below the requisite ratings, set out in the Account Agreement (being (i) a short-term rating

of "P-1" by Moody's and a short-term rating of "F1" by Fitch with no Rating Watch Negative or (ii) a long-term rating of "A1" by Moody's and a long-term rating of A by Fitch with no Rating Watch Negative, or, in each case, such other short-term or long-term rating which is otherwise acceptable to the relevant Rating Agency), the Issuer will as soon as practicable but in any event within 25 calendar days upon being notified of such event by the Account Bank (i) find a substitute account bank with the requisite rating and move the Accounts (and the balances standing to the credit thereto) to such substitute issuer account bank; or (ii) enter into a guarantee with another bank with the requisite rating.

On each Payment Date the Account Bank will be entitled to receive a fee for the preceding Monthly Period (or, in the case of the first Payment Date, a fee for the period commencing on the Closing Date to (but excluding) the Payment Date falling on 21 May 2012).

The Account Agreement and all non-contractual matters arising from or connected with it will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales will have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

### **Paying Agency Agreement**

On the Closing Date, the Issuer, the Paying Agent, the Agent Bank and the Trustee will enter into a paying agency agreement pursuant to which the Issuer will appoint the Paying Agent as paying agent in respect of the Notes. In the event that (a) Definitive Notes are to be issued in respect of any class of Notes in accordance with the provisions of the Trust Deed and (b) the Paying Agent is unable to perform its obligations under the Paying Agency Agreement, the Paying Agent will be required, at its own cost and expense and as soon as practicable, to delegate any of its roles, duties or obligations under the Paying Agency Agreement to a reputable bank whom it believes is capable of, and experienced in, performing the functions to be given to it. Any delegation by the Paying Agent of its obligations (or any of them) under this Agreement shall not release or discharge the Paying Agent from any of its obligations under the Paying Agency Agreement.

So long as the Notes are listed on the Irish Stock Exchange, the Issuer will procure that there will be a paying agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive. As consideration for performance of the agency services, the Issuer will pay the Agents a fee.

The Paying Agency Agreement and all non-contractual matters arising from or connected with it will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales will have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

### **Swap Agreement**

On the Closing Date, the Issuer will enter into the Swap Agreement with the Swap Counterparty. The Swap Agreement will mitigate the floating interest rate risk on the Class A Notes against the fixed rate income, payable under the Financing Contracts, to be received by the Issuer. The Swap Counterparty must be rated at least the Required Rating or will have taken measures agreed with the Rating Agencies for the rating of the Senior Notes.

**"Required Rating"** means:

- a) in relation to Moody's, where the relevant entity has a rating assigned by Moody's under its short-term rating scale, a short-term rating of "Prime-1" and a long-term rating of "A2" or above or, if there is no short-term rating, a long-term rating of "A1" or above; and
- b) in relation to Fitch:
  - (i) in the event the Class A Notes are assigned a rating of "AA-" or above by Fitch, a long-term rating of "A" and a short-term rating of "F1" with no Rating Watch Negative, in each case applicable to the Swap Counterparty's (or any credit support provider's) unsecured and unsubordinated debt obligations.
  - (ii) in the event the Class A Notes are assigned a rating of "A+" or below by Fitch, a long-term rating of "BBB+" and a short-term rating of "F2" with no Rating Watch Negative, in each case applicable to the Swap Counterparty's (or any credit support provider's) unsecured and unsubordinated debt obligations.

**"Second Trigger Required Rating"** means:

- a) in relation to Moody's, where the relevant entity has a rating assigned by Moody's under its short-term rating scale, a short-term rating of "Prime-2" or above and a long-term rating of "A3" or above or, if there is no short-term rating, a long-term rating of "A3" or above; and
- b) in relation to Fitch:
  - (i) in the event the Class A Notes are assigned a rating of "AA-" or above by Fitch, a long-term rating of "BBB+" and a short-term rating of "F2" with no Rating Watch Negative, in each case applicable to the Swap Counterparty's (or any credit support provider's) unsecured and unsubordinated debt obligations.
  - (ii) in the event the Class A Notes are assigned a rating of "A+" or below by Fitch, a long-term rating of "BBB-" and a short-term rating of "F3" with no Rating Watch Negative, in each case applicable to the Swap Counterparty's (or any credit support provider's) unsecured and unsubordinated debt obligations.

**"Additional Fitch Required Rating"** means, in connection with Fitch only, a long-term rating of "BBB-" and a short-term rating of "F3" with no Rating Watch Negative applicable to the Swap Counterparty's (or any credit support provider's) unsecured and unsubordinated debt obligations.

Under the Swap Agreement the Issuer will pay to the Swap Counterparty on each Payment Date an amount equal to the amount of interest on the lower of (i) the Principal Amount Outstanding of the Class A Notes on each Payment Date and (ii) the Performing Principal Outstanding Amount of the Loans on each Payment Date, calculated on the basis of a fixed rate of interest of 0.775 per cent. per annum. The Swap Counterparty will pay to the Issuer on each Payment Date an amount equal to the floating rate of interest on the lower of (i) such Principal Amount Outstanding of the Class A Notes on each Payment Date and (ii) the Performing Principal Outstanding Amount of the Loans on each Payment Date, calculated on the basis of LIBOR one-month Sterling deposits on the basis of the actual number of days elapsed in an Interest Period divided by 365.

Payments under the Swap Agreement will be made on a net basis on each Payment Date so that a net amount will be due from the Issuer or the Swap Counterparty (as the case may be) on each Payment Date. Any payments other than Subordinated Termination Payments made by the Issuer under the Swap Agreement rank higher in priority than payments on the Notes. Interest Rate Payments by the Swap Counterparty to the Issuer under the Swap Agreement will be made into the Issuer Account and will, to the extent necessary, be increased to ensure that such payments are free and clear of all taxes.

Events of default under the Swap Agreement applicable to the Issuer and to the Swap Counterparty are (among other things):

- (a) failure to make a payment under the Swap Agreement when due (taking into account any grace periods); or
- (b) the occurrence of certain bankruptcy and insolvency events.

Termination events under the Swap Agreement include, among other things, the following:

- (a) a change of law results in the obligations of one of the parties becoming illegal;
- (b) an Enforcement Event occurs or prepayment in full, but not in part, of the Notes occurs; or
- (c) the Priority of Payments is changed (other than in accordance with the Trust Deed or with the prior written consent of the Swap Counterparty) such that the Issuer's obligations to the Swap Counterparty are further contractually subordinated to the Issuer's obligation to any other Transaction Creditor; or
- (d) any of the terms of the Transaction Documents are changed without the written consent of the Swap Counterparty where the Swap Counterparty is of the commercially reasonable opinion that it is materially adversely affected as a result of such amendment; or
- (e) failure of the Swap Counterparty to take certain actions if its credit rating falls below the Required Rating, the Second Trigger Required Rating or the Additional Fitch Required Rating. If the Swap Counterparty does not have the Required Rating, the Second Trigger Required Rating or the Additional Fitch Required Rating it may or shall be required to post Swap Collateral as calculated in accordance with the Swap Agreement Credit Support Document.

The Swap Counterparty may or shall also as an additional or alternative measure take one of the following measures:

- (i) obtain a guarantee or procure another Person to become a co-obligor from an institution with an acceptable rating; or
- (ii) assign its rights and obligations under the Swap Agreement to a successor Swap Counterparty with an acceptable rating; or
- (iii) take any such action as may be agreed with Fitch.

Swap Collateral posted by the Swap Counterparty pursuant to the terms of the Swap Agreement Credit Support Document may be delivered in the form of cash or securities. Cash amounts will be paid into the Swap Collateral Cash Account and securities will be transferred to the Swap Collateral Custody Account. References to a Swap Collateral Cash Account or to a Swap Collateral Custody Account and to payments from such accounts are deemed to be a reference to payments from such accounts as and when opened by the Cash Manager.

Cash and securities (and all income in respect thereof) transferred as collateral to the Swap Collateral Cash Account and/or a Swap Collateral Custody Account will only be available to be applied in returning collateral (and income thereon) or in satisfaction of amounts owing by the Swap Counterparty in accordance with the terms and within the limits of the Swap Agreement Credit Support Document and the Cash Management Agreement. Amounts standing to the credit of the Swap Collateral Cash Account and/or the Swap Collateral Custody Account will only be available to the Transaction Creditors to the extent that such amounts are applied in or towards satisfaction of the Swap Counterparty's obligations to the Issuer upon termination of the Swap Agreement. Any amount in excess of such obligations shall not be available to Transaction Creditors and shall be returned to the Swap Counterparty. There may be circumstances where no amount is payable by the Swap Counterparty to the Issuer; in such circumstances, any Swap Collateral will be returned by the Cash Manager to the Swap Counterparty directly in accordance with the terms of the Swap Agreement Credit Support Document.

Upon the occurrence of an event of default or termination event specified in the Swap Agreement, the non-defaulting party or non-affected party may, after a period of time set forth in the Swap Agreement, elect to terminate such Swap Agreement. If the Swap Agreement is terminated due to an event of default or a termination event, a Swap Termination Payment may be due to the Swap Counterparty by the Issuer out of its available funds or to the Issuer by the Swap Counterparty. The amount of any such swap termination payment may be based on the actual cost or market quotations of the cost of entering into a similar interest rate swap transaction or such other methods as may be required under the Swap Agreement, in each case in accordance with the procedures set forth in the Swap Agreement.

The Swap Counterparty may under certain conditions transfer its obligations under the Swap Agreement to a third party with the Required Rating.

*Applicable Law and Jurisdiction*

The Swap Agreement and all non-contractual matters arising from or connected with it will be governed by and construed in accordance with the laws of England and Wales.

## THE PROVISIONAL RECEIVABLES POOL

The characteristics set forth in this section are based on the Receivables balance as of 31 December 2011 by application of certain selection criteria. The actual Purchased Receivables Pool to be acquired by the Issuer on the Purchase Date will differ to the provisional pool of Receivables described herein due to certain of the Receivables being repaid or otherwise ceasing to meet the conditions applicable to purchase. The Receivables to be retained by the Seller under Article 122a of the CRD will be selected on a random basis from the provisional pool (see "THE RETAINED INTEREST POOL").

The statistical distribution of the characteristics of the Purchased Receivables Pool as of the Cut-off Date and the Purchase Date will vary somewhat from the statistical distribution of those characteristics as of 31 December 2011 illustrated in the tables below.

The composition, distribution by remaining term, distribution by contract rate and geographic distribution, in each case of the Receivables as of 31 December 2011, are set forth in the tables below.

The provisional pool of Receivables from which the Purchased Receivables have been selected had the aggregate characteristics indicated in Tables 1 to 21 below as at 31 December 2011.

Each number in the tables are rounded correctly to the level shown; therefore the totals of the numbers shown may be slightly different from the column totals.

### Composition of the Receivables Pool as of 31 December 2011

#### 1. Breakdown by Outstanding Balance

Outstanding Balance (£)	Number of Contracts	Aggregate Outstanding Principal Balance	Percentage of Aggregate Outstanding	
			Percentage of Contracts	Percentage of Principal Balance
0.00 - 2,499.99	4,665	8,873,957.82	8.88%	2.45%
2,500.00 - 4,999.99	16,779	64,102,089.17	31.95%	17.72%
5,000.00 - 7,499.99	14,519	88,834,868.17	27.64%	24.56%
7,500.00 - 9,999.99	7,315	63,111,418.00	13.93%	17.45%
10,000.00 - 14,999.99	6,156	74,050,896.96	11.72%	20.47%
15,000.00 - 19,999.99	2,062	35,173,145.66	3.93%	9.72%
20,000.00 - 24,999.99	544	12,004,868.30	1.04%	3.32%
25,000.00 - 29,999.99	241	6,565,003.23	0.46%	1.81%
30,000.00 - 49,999.99	234	8,589,174.61	0.45%	2.37%
50,000.00 - 120,000.00	8	439,648.47	0.02%	0.12%
<b>Total</b>	<b>52,523</b>	<b>361,745,070.39</b>	<b>100.00%</b>	<b>100.00%</b>
Minimum Outstanding Balance (£)		254.23		
Maximum Outstanding Balance (£)		64,220.96		
Average Outstanding Balance (£)		6,887.36		

## 2. Breakdown by Loan to Advance

<b>Loan to Advance (%)</b>	<b>Number of Contracts</b>	<b>Aggregate Outstanding Principal Balance</b>	<b>Percentage of Contracts</b>	<b>Percentage of Aggregate Outstanding Principal Balance</b>
0.00% - 9.99%	1	2,021.67	0.00%	0.00%
10.00% - 19.99%	69	188,179.07	0.13%	0.05%
20.00% - 29.99%	425	1,302,327.62	0.81%	0.36%
30.00% - 39.99%	1,041	4,108,736.19	1.98%	1.14%
40.00% - 49.99%	1,982	9,299,215.86	3.77%	2.57%
50.00% - 59.99%	3,803	21,733,539.26	7.24%	6.01%
60.00% - 69.99%	5,256	32,919,332.57	10.01%	9.10%
70.00% - 79.99%	8,301	56,730,767.81	15.80%	15.68%
80.00% - 89.99%	14,448	103,116,827.63	27.51%	28.51%
90.00% - 99.99%	12,478	96,526,833.62	23.76%	26.68%
100.00% - 100.80%	4,719	35,817,289.09	8.98%	9.90%
<b>Total</b>	<b>52,523</b>	<b>361,745,070.39</b>	<b>100.00%</b>	<b>100.00%</b>
Minimum Loan to Advance (%)		9.91%		
Maximum Loan to Advance (%)		100.00%		
Weighted Average Loan to Advance (%)		82.11%		

## 3. Breakdown by Original LTV

<b>Original LTV (%)</b>	<b>Number of Contracts</b>	<b>Aggregate Outstanding Principal Balance</b>	<b>Percentage of Contracts</b>	<b>Percentage of Aggregate Outstanding Principal Balance</b>
0.00% - 9.99%	0	-	0.00%	0.00%
10.00% - 19.99%	83	206,704.68	0.16%	0.06%
20.00% - 29.99%	446	1,368,437.14	0.85%	0.38%
30.00% - 39.99%	1,113	4,285,266.68	2.12%	1.18%
40.00% - 49.99%	2,042	9,508,955.57	3.89%	2.63%
50.00% - 59.99%	3,299	18,645,900.13	6.28%	5.15%
60.00% - 69.99%	5,344	34,796,397.45	10.17%	9.62%
70.00% - 79.99%	7,697	55,320,240.46	14.66%	15.30%
80.00% - 89.99%	10,521	79,580,147.05	20.03%	22.00%
90.00% - 99.99%	11,909	91,351,425.44	22.67%	25.25%
100.00% - 200.00%	10,069	66,681,595.81	19.17%	18.43%
<b>Total</b>	<b>52,523</b>	<b>361,745,070.39</b>	<b>100.00%</b>	<b>100.00%</b>
Minimum Original LTV (%)		10.21%		
Maximum Original LTV (%)		124.67%		
Weighted Average Original LTV (%)		84.48%		

Note: The LTV is calculated taking the retail value for used car and the list value for new car. For new car the list value is not always available, then the loan to advance is used. This is only the case on a limited numbers of loans.



#### 4. Breakdown by Product Description

Product Description	Number of Contracts	Aggregate Outstanding Principal Balance	Percentage of Contracts	Percentage of Aggregate Outstanding Principal Balance
Hire Purchase	51,755	348,896,277.37	98.54%	96.45%
Hire Purchase with Balloon	768	12,848,793.02	1.46%	3.55%
Total	52,523	361,745,070.39	100.00%	100.00%

#### 5. Breakdown by Person / Company

Person / Company	Number of Contracts	Aggregate Outstanding Principal Balance	Percentage of Contracts	Percentage of Aggregate Outstanding Principal Balance
Company	2,668	24,452,983.84	5.08%	6.76%
Person	49,855	337,292,086.55	94.92%	93.24%
Total	52,523	361,745,070.39	100.00%	100.00%

#### 6. Breakdown by New / Used

New / Used	Number of Contracts	Aggregate Outstanding Principal Balance	Percentage of Contracts	Percentage of Aggregate Outstanding Principal Balance
New	2,458	29,445,147.58	4.68%	8.14%
Used	50,065	332,299,922.81	95.32%	91.86%
Total	52,523	361,745,070.39	100.00%	100.00%

#### 7. Breakdown by Payment Method

Payment Method	Number of Contracts	Aggregate Outstanding Principal Balance	Percentage of Contracts	Percentage of Aggregate Outstanding Principal Balance
Direct Debit	51,212	352,347,923.33	97.50%	97.40%
Other	1,311	9,397,147.06	2.50%	2.60%
Total	52,523	361,745,070.39	100.00%	100.00%

### 8. Breakdown by Number of Rentals

Number of Rentals	Number of Contracts	Aggregate Outstanding Principal Balance	Percentage of Contracts	Percentage of Aggregate Outstanding Principal Balance
0 - 11	0	-	0.00%	0.00%
12 - 23	472	1,669,229.18	0.90%	0.46%
24 - 35	4,720	16,769,048.42	8.99%	4.64%
36 - 47	14,451	75,593,717.97	27.51%	20.90%
48 - 107	32,880	267,713,074.81	62.60%	74.01%
Total	52,523	361,745,070.39	100.00%	100.00%
Minimum Number of Rentals (Number)		12		
Maximum Number of Rentals (Number)		61		
Weighted Average Number of Rentals (Number)		50		

### 9. Breakdown by Seasoning

Seasoning (Months)	Number of Contracts	Aggregate Outstanding Principal Balance	Percentage of Contracts	Percentage of Aggregate Outstanding Principal Balance
0 - 11	47,514	331,725,442.10	90.46%	91.70%
12 - 23	4,529	28,442,002.04	8.62%	7.86%
24 - 35	293	1,139,002.29	0.56%	0.31%
36 - 47	159	360,056.27	0.30%	0.10%
48 - 60	28	78,567.69	0.05%	0.02%
Total	52,523	361,745,070.39	100.00%	100.00%
Minimum Seasoning (Number)		0		
Maximum Seasoning (Number)		56		
Weighted Average Seasoning (Number)		6		

**10. Breakdown by Remaining Payments (excluding Balloon)**

<b>Remaining Payments (excluding Balloon)</b>	<b>Number of Contracts</b>	<b>Aggregate Outstanding Principal Balance</b>	<b>Percentage of Contracts</b>	<b>Percentage of Aggregate Outstanding Principal Balance</b>
0 - 3	0	-	0.00%	0.00%
4 - 11	548	1,545,559.65	1.04%	0.43%
12 - 23	4,496	15,714,399.95	8.56%	4.34%
24 - 35	13,362	69,241,823.94	25.44%	19.14%
36 - 47	15,336	109,236,672.68	29.20%	30.20%
48 - 60	18,781	166,006,614.18	35.76%	45.89%
<b>Total</b>	<b>52,523</b>	<b>361,745,070.39</b>	<b>100.00%</b>	<b>100.00%</b>
Minimum Remaining Payments (excluding Balloon) (Number)		4		
Maximum Remaining Payments (excluding Balloon) (Number)		60		
Weighted Average Remaining Payments (excluding Balloon) (Number)		44		

### 11. Breakdown by Effective Rate

Effective Rate (%)	Number of Contracts	Aggregate Outstanding Principal Balance	Percentage of Contracts	Percentage of Aggregate Outstanding Principal Balance
0.00% - 3.99%	40	170,076.22	0.08%	0.05%
4.00% - 4.99%	2	14,789.99	0.00%	0.00%
5.00% - 5.99%	2	12,904.93	0.00%	0.00%
6.00% - 6.99%	28	517,863.69	0.05%	0.14%
7.00% - 7.99%	158	2,544,303.00	0.30%	0.70%
8.00% - 8.99%	639	9,790,186.03	1.22%	2.71%
9.00% - 9.99%	1,830	25,100,898.22	3.48%	6.94%
10.00% - 10.99%	2,825	33,729,198.61	5.38%	9.32%
11.00% - 11.99%	3,562	37,447,189.94	6.78%	10.35%
12.00% - 12.99%	4,517	40,930,988.42	8.60%	11.31%
13.00% - 13.99%	4,762	37,406,963.94	9.07%	10.34%
14.00% - 14.99%	4,435	31,121,339.77	8.44%	8.60%
15.00% - 15.99%	4,431	28,238,092.00	8.44%	7.81%
16.00% - 16.99%	3,808	22,494,009.69	7.25%	6.22%
17.00% - 17.99%	3,362	18,556,902.16	6.40%	5.13%
18.00% - 18.99%	2,977	15,421,367.23	5.67%	4.26%
19.00% - 19.99%	2,620	13,331,876.79	4.99%	3.69%
20.00% - 29.99%	10,241	40,812,340.93	19.50%	11.28%
30.00% - 39.99%	1,422	2,955,232.00	2.71%	0.82%
40.00% - 49.99%	464	707,586.42	0.88%	0.20%
50.00% - 680.00%	398	440,960.43	0.76%	0.12%
<b>Total</b>	<b>52,523</b>	<b>361,745,070.39</b>	<b>100.00%</b>	<b>100.00%</b>
Weighted Average Effective Rate (%)		14.84%		

## 12. Breakdown by Balloon as % of outstanding Principal

Balloon as % of o/s Principal Range (%)	Number of Contracts	Aggregate Outstanding Principal Balance	Percentage of Contracts	Percentage of Aggregate Outstanding Principal Balance
0.00% - 9.99%	0	-	0.00%	0.00%
10.00% - 19.99%	4	39,904.76	0.01%	0.01%
20.00% - 29.99%	148	1,950,991.51	0.28%	0.54%
30.00% - 39.99%	368	6,390,877.91	0.70%	1.77%
40.00% - 49.99%	142	2,733,853.40	0.27%	0.76%
50.00% - 59.99%	58	941,976.36	0.11%	0.26%
60.00% - 69.99%	24	304,878.44	0.05%	0.08%
70.00% - 79.99%	17	302,234.58	0.03%	0.08%
80.00% - 89.99%	6	139,884.13	0.01%	0.04%
90.00% - 100.00%	1	44,191.93	0.00%	0.01%
No Balloon	51,755	348,896,277.37	98.54%	96.45%
<b>Total</b>	<b>52,523</b>	<b>361,745,070.39</b>	<b>100.00%</b>	<b>100.00%</b>
Minimum Balloon as % of o/s Principal (%)		0.00%		
Maximum Balloon as % of o/s Principal (%)		99.19%		
Weighted Average Balloon (for those accounts with a Balloon payment) as % of o/s Principal (%)		39.19%		

The minimum balloon percentage is calculated on all the accounts.

The weighted average balloon is calculated on the accounts with a balloon payment only.

### 13. Breakdown by Original Principal Amount

Original Principal Amount (£)	Number of Contracts	Aggregate Outstanding Principal Balance	Percentage of Contracts	Percentage of Aggregate Outstanding Principal Balance
0.00 - 2499.99	1,956	3,288,982.18	3.72%	0.91%
2,500.00 - 4,999.99	14,410	47,434,909.54	27.44%	13.11%
5,000.00 - 7,499.99	16,085	87,669,329.45	30.62%	24.24%
7,500.00 - 9,999.99	8,221	63,289,098.85	15.65%	17.50%
10,000.00 - 12,499.99	5,008	49,732,649.44	9.53%	13.75%
12,500.00 - 14,999.99	2,607	32,096,976.45	4.96%	8.87%
15,000.00 - 17,499.99	1,747	25,395,829.66	3.33%	7.02%
17,500.00 - 19,999.99	1,022	17,432,041.14	1.95%	4.82%
20,000.00 - 22,499.99	532	9,957,640.03	1.01%	2.75%
22,500.00 - 24,999.99	236	5,032,792.25	0.45%	1.39%
25,000.00 - 27,499.99	220	5,189,728.04	0.42%	1.43%
27,500.00 - 29,999.99	108	2,801,104.24	0.21%	0.77%
30,000.00 - 34,999.99	164	4,653,442.75	0.31%	1.29%
35,000.00 - 39,999.99	92	3,101,084.69	0.18%	0.86%
40,000.00 - 44,999.99	54	1,955,571.27	0.10%	0.54%
45,000.00 - 49,999.99	36	1,545,516.03	0.07%	0.43%
50,000.00 - 69,999.99	25	1,168,374.36	0.05%	0.32%
<b>Total</b>	<b>52,523</b>	<b>361,745,070.39</b>	<b>100.00%</b>	<b>100.00%</b>
Minimum Original Principal Amount (£)		1,199.00		
Maximum Original Principal Amount (£)		67,995.00		
Weighted Average Original Principal Amount (£)		11,189.65		

#### 14. Breakdown by Deposit

Deposit Range (£)	Number of Contracts	Aggregate Outstanding Principal Balance	Percentage of Contracts	Percentage of Aggregate Outstanding Principal Balance
0.00 - 2499.99	37,472	234,234,938.57	71.34%	64.75%
2,500.00 - 4,999.99	9,230	67,602,433.36	17.57%	18.69%
5,000.00 - 7,499.99	3,269	28,512,202.08	6.22%	7.88%
7,500.00 - 9,999.99	1,133	10,948,980.32	2.16%	3.03%
10,000.00 - 12,499.99	610	7,482,273.65	1.16%	2.07%
12,500.00 - 14,999.99	251	3,100,098.22	0.48%	0.86%
15,000.00 - 17,499.99	185	2,847,730.03	0.35%	0.79%
17,500.00 - 19,999.99	98	1,540,778.00	0.19%	0.43%
20,000.00 - 22,499.99	86	1,747,507.92	0.16%	0.48%
22,500.00 - 24,999.99	43	719,136.99	0.08%	0.20%
25,000.00 - 27,499.99	47	846,703.59	0.09%	0.23%
27,500.00 - 29,999.99	26	532,837.93	0.05%	0.15%
30,000.00 - 34,999.99	41	840,381.74	0.08%	0.23%
35,000.00 - 39,999.99	13	254,866.84	0.02%	0.07%
40,000.00 - 44,999.99	6	139,112.48	0.01%	0.04%
45,000.00 - 49,999.99	4	121,151.34	0.01%	0.03%
50,000.00 - 74,999.99	7	179,948.06	0.01%	0.05%
75,000.00 - 89,999.99	2	93,989.26	0.00%	0.03%
<b>Total</b>	<b>52,523</b>	<b>361,745,070.39</b>	<b>100.00%</b>	<b>100.00%</b>
Minimum Deposit (£)		0		
Maximum Deposit (£)		85,000.00		
Weighted Average Deposit (£)		2,915.69		

### 15. Breakdown by Region

<b>Region</b>	<b>Number of Contracts</b>	<b>Aggregate Outstanding Principal Balance</b>	<b>Percentage of Contracts</b>	<b>Percentage of Aggregate Outstanding Principal Balance</b>
North West	7,267	49,010,901.32	13.84%	13.55%
South East	5,910	42,119,003.70	11.25%	11.64%
London	5,512	41,550,313.13	10.49%	11.49%
East of England	5,755	38,932,539.00	10.96%	10.76%
Wales	5,900	36,731,806.84	11.23%	10.15%
Scotland	4,634	33,748,739.67	8.82%	9.33%
Yorkshire & Humberside	4,280	28,974,311.38	8.15%	8.01%
South West	4,301	28,898,011.90	8.19%	7.99%
West Midlands	4,041	26,108,964.17	7.69%	7.22%
North East	2,585	18,661,052.51	4.92%	5.16%
East Midlands	2,336	16,999,138.11	4.45%	4.70%
Northern Ireland	2	10,288.67	0.00%	0.00%
<b>Total</b>	<b>52,523</b>	<b>361,745,070.39</b>	<b>100.00%</b>	<b>100.00%</b>



## 16. Breakdown by Make

Make	Number of Contracts	Aggregate	Percentage of Contracts	Percentage of
		Outstanding Principal Balance		Aggregate Outstanding Principal Balance
FORD	8,708	52,568,664.72	16.58%	14.53%
VAUXHALL	8,389	46,079,585.88	15.97%	12.74%
BMW	3,979	38,341,982.64	7.58%	10.60%
LAND ROVER	1,828	26,031,554.37	3.48%	7.20%
AUDI	2,691	25,241,478.31	5.12%	6.98%
VOLKSWAGEN	3,538	23,598,933.86	6.74%	6.52%
MERCEDES-BENZ	2,352	21,644,784.55	4.48%	5.98%
PEUGEOT	2,573	12,256,323.68	4.90%	3.39%
RENAULT	2,439	11,118,642.51	4.64%	3.07%
CITROEN	2,005	10,638,196.79	3.82%	2.94%
NISSAN	1,333	9,520,166.32	2.54%	2.63%
MINI	1,399	8,084,368.09	2.66%	2.23%
HONDA	1,192	7,623,868.58	2.27%	2.11%
TOYOTA	1,107	6,358,852.12	2.11%	1.76%
FIAT	1,100	5,492,548.39	2.09%	1.52%
VOLVO	650	5,470,345.66	1.24%	1.51%
JAGUAR	587	5,198,506.88	1.12%	1.44%
PORSCHE	334	5,198,064.54	0.64%	1.44%
MITSUBISHI	703	5,139,274.17	1.34%	1.42%
KIA	529	3,585,355.06	1.01%	0.99%
MAZDA	690	3,566,783.38	1.31%	0.99%
SEAT	586	3,270,967.37	1.12%	0.90%
SUZUKI	648	3,253,959.37	1.23%	0.90%
HYUNDAI	475	2,916,048.60	0.90%	0.81%
SAAB	401	2,536,545.35	0.76%	0.70%
LEXUS	225	1,841,835.19	0.43%	0.51%
SKODA	282	1,644,552.32	0.54%	0.45%
CHRYSLER	223	1,613,564.29	0.42%	0.45%
BENTLEY	51	1,577,711.01	0.10%	0.44%
CHEVROLET	306	1,484,713.30	0.58%	0.41%
SUBARU	169	1,282,533.71	0.32%	0.35%
Other	121	1,241,747.17	0.23%	0.34%
ALFA ROMEO	180	1,226,126.38	0.34%	0.34%
JEEP	159	1,224,584.27	0.30%	0.34%
ASTON MARTIN	37	930,631.36	0.07%	0.26%
DODGE	81	550,215.77	0.15%	0.15%
SMART	115	427,289.06	0.22%	0.12%
ISUZU	38	322,504.52	0.07%	0.09%
FERRARI	8	287,593.85	0.02%	0.08%
LAMBORGHINI	6	200,037.85	0.01%	0.06%
LDV	51	191,900.01	0.10%	0.05%

MG	83	181,410.74	0.16%	0.05%
MASERATI	6	166,343.81	0.01%	0.05%
DAIHATSU	36	161,311.47	0.07%	0.04%
SSANGYONG	20	141,195.90	0.04%	0.04%
ROVER	49	97,525.27	0.09%	0.03%
LOTUS	5	60,304.00	0.01%	0.02%
ROLLS-ROYCE	1	40,466.98	0.00%	0.01%
PERODUA	8	33,154.93	0.02%	0.01%
PROTON	10	30,093.71	0.02%	0.01%
CADILLAC	6	30,067.21	0.01%	0.01%
DAEWOO	10	17,077.33	0.02%	0.00%
DAIMLER	1	2,777.76	0.00%	0.00%
Total	52,523	361,745,070.39	100.00%	100.00%

#### 17. Breakdown by Deposit over capital financed

Deposit over capital financed (%)	Number of Contracts	Aggregate Outstanding Principal Balance	Percentage of Aggregate Outstanding	
			Percentage of Contracts	Percentage of Principal Balance
0.00% - 9.99%	15,491	119,291,967.51	29.49%	32.98%
10.00% - 19.99%	11,835	85,088,937.90	22.53%	23.52%
20.00% - 29.99%	7,126	50,392,169.72	13.57%	13.93%
30.00% - 39.99%	4,528	31,122,717.85	8.62%	8.60%
40.00% - 49.99%	2,965	18,868,072.27	5.65%	5.22%
50.00% - 59.99%	2,131	13,240,925.23	4.06%	3.66%
60.00% - 69.99%	1,647	10,052,082.24	3.14%	2.78%
70.00% - 79.99%	1,345	8,111,046.84	2.56%	2.24%
80.00% - 89.99%	1,009	5,778,788.62	1.92%	1.60%
90.00% - 99.99%	901	4,778,302.58	1.72%	1.32%
100.00% - 1000.00%	3,545	15,020,059.63	6.75%	4.15%
Total	52,523	361,745,070.39	100.00%	100.00%
Minimum Deposit over capital financed (%)		0.00%		
Maximum Deposit over capital financed (%)		909.46%		
Weighted Average Deposit over capital financed (%)		27.96%		

### 18. Breakdown by Dealer Grade

Dealer Grade	Number of Contracts	Aggregate Outstanding Principal Balance	Percentage of Contracts	Percentage of Aggregate Outstanding Principal Balance
A	40,190	278,539,990.99	76.52%	77.00%
B	8,924	61,298,822.21	16.99%	16.95%
C	2,313	14,721,558.07	4.40%	4.07%
D	408	2,740,378.26	0.78%	0.76%
N	591	3,776,472.17	1.13%	1.04%
Blanks	97	667,848.69	0.18%	0.18%
Total	52,523	361,745,070.39	100.00%	100.00%

### 19. Breakdown by Age of Car

Age of Car	Number of Contracts	Aggregate Outstanding Principal Balance	Percentage of Contracts	Percentage of Aggregate Outstanding Principal Balance
0 - 11	2,703	33,105,647.03	5.15%	9.15%
12 - 23	3,465	33,257,489.33	6.60%	9.19%
24 - 35	3,884	33,570,099.90	7.39%	9.28%
36 - 47	10,786	78,868,825.44	20.54%	21.80%
48 - 59	11,587	77,872,843.50	22.06%	21.53%
60 - 71	7,181	44,623,523.08	13.67%	12.34%
72 - 83	5,060	27,894,270.31	9.63%	7.71%
84 - 95	3,819	17,720,417.22	7.27%	4.90%
96 - 107	2,412	9,747,477.98	4.59%	2.69%
108 - 119	1,278	4,174,220.64	2.43%	1.15%
120 - 143	344	895,311.75	0.65%	0.25%
144 - 199	4	14,944.22	0.01%	0.00%
Total	52,523	361,745,070.39	100.00%	100.00%
Minimum Age of Car (Number)		0		
Maximum Age of Car (Number)		184		
Weighted Average Age of Car (Number)		48		

### 20. Breakdown by CCA Regulated

CCA Regulated	Number of Contracts	Aggregate Outstanding Principal Balance	Percentage of Contracts	Percentage of Aggregate Outstanding Principal Balance
N	2,505	23,011,624.44	4.77%	6.36%
Y	50,018	338,733,445.96	95.23%	93.64%
Total	52,523	361,745,070.39	100.00%	100.00%

## 21. Breakdown by Top 10 Dealers

<b>Dealer</b>	<b>Number of Contracts</b>	<b>Aggregate Outstanding Principal Balance</b>	<b>Percentage of Contracts</b>	<b>Percentage of Aggregate Outstanding Principal Balance</b>
Mann Island Finance Limited	3,109	26,334,204.87	5.92%	7.28%
Car Giant	3,114	20,796,322.53	5.93%	5.75%
DSG Financial Services Limited	1,560	12,812,453.88	2.97%	3.54%
Arnold Clark Automobiles/Harry Fairbairn	1,476	9,691,655.82	2.81%	2.68%
Kennah Motor Credit Limited	1,168	7,448,200.07	2.22%	2.06%
Evolution Funding Limited	982	7,047,519.62	1.87%	1.95%
Carcraft	966	6,036,777.38	1.84%	1.67%
Anglo Scottish Asset Finance Limited	677	5,078,451.94	1.29%	1.40%
European Vehicle Contracts Limited	783	4,565,614.48	1.49%	1.26%
DSG Financial Services Limited-Scotland	579	4,500,860.88	1.10%	1.24%
<b>Grand Total</b>	<b>14,414</b>	<b>104,312,061.45</b>	<b>27.44%</b>	<b>28.84%</b>

### **THE RETAINED INTEREST POOL**

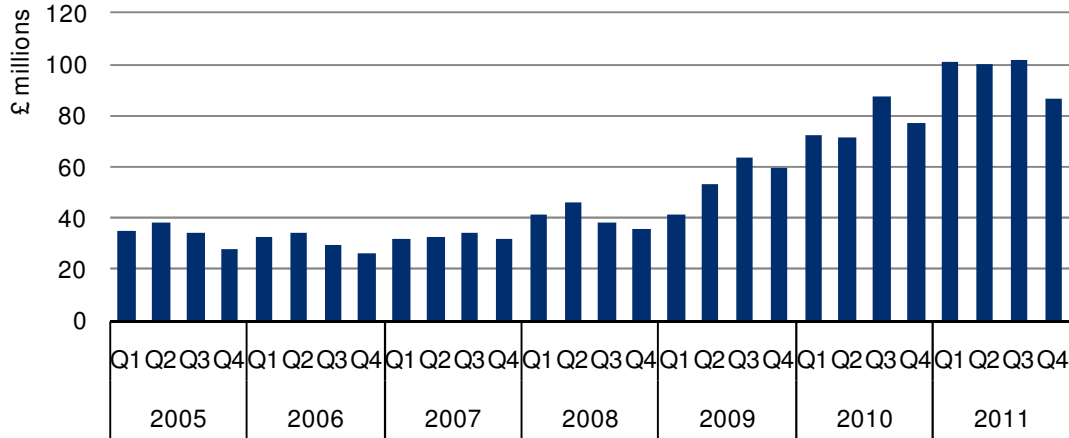
FRB London has randomly selected the Receivables to be retained (to constitute the Retained Interest) in order to enable the Noteholders to meet their obligations under Article 122a of the CRD using the following methodology:

- As at the Cut-Off Date, the Financing Contracts were reviewed to exclude any Receivables that failed to meet the eligibility criteria or have been repaid.
- The pool as of the Cut-Off Date was then divided by reference to the seasoning of the Financing Contracts into 8 groupings (see below).
- Financing Contracts representing 5% of each such groupings were randomly selected using EViews 7, an econometric package that provides various statistical, forecasting and modelling tools.
- This resulted in the selection of 2,540 Financing Contracts that will be retained on balance sheet by the Seller.
- These Financing Contracts will be identified on the Seller's internal systems and records to ensure that they are not selected for any subsequent securitisations nor benefit from any form of hedging or credit mitigation.

## HISTORICAL PERFORMANCE DATA

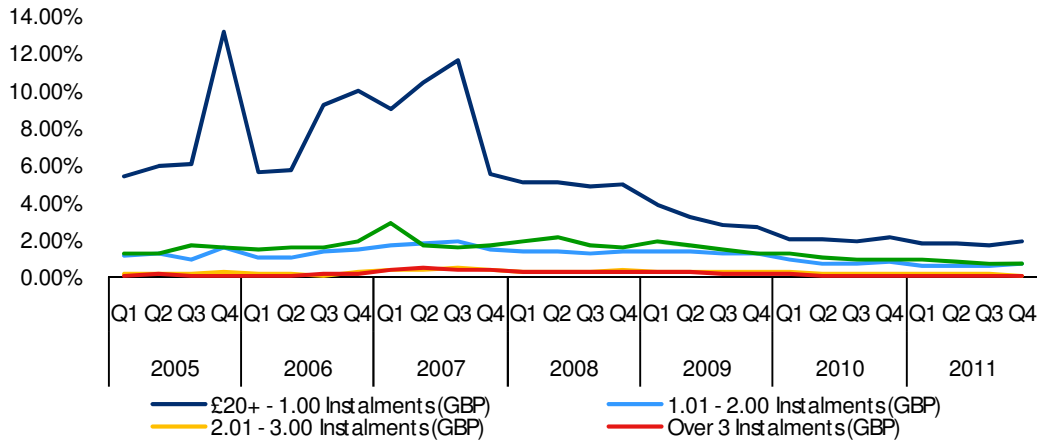
FRB London has extracted data on the historical performance of its entire motor vehicle receivables portfolio. The tables below show historical data on net losses, for the period from 2005 to the final quarter of 2011. The below data has not been audited.

### Origination by Quarter



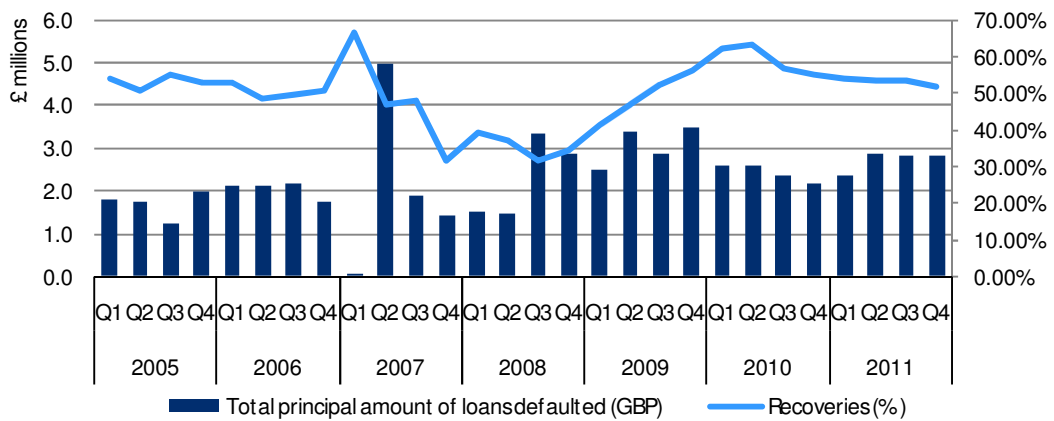
Source: MotoNovo Finance

### Delinquencies



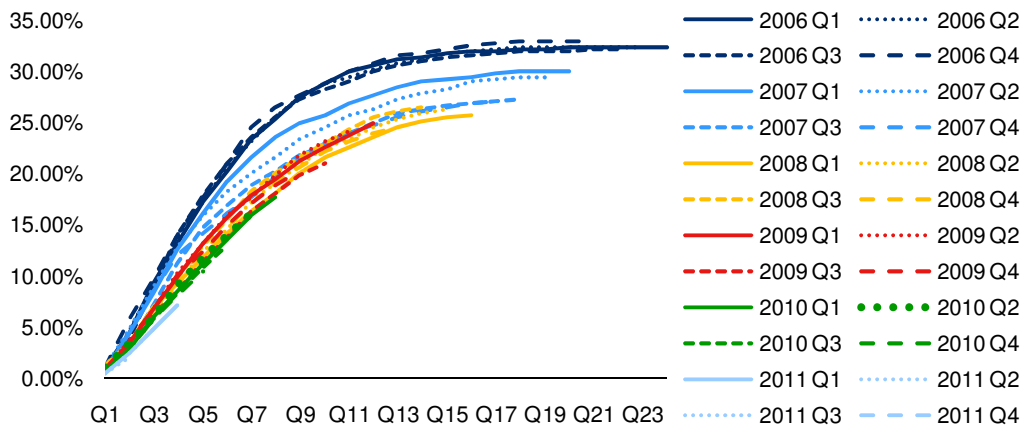
Source: MotoNovo Finance

### Dynamic Recoveries per Quarter per Default



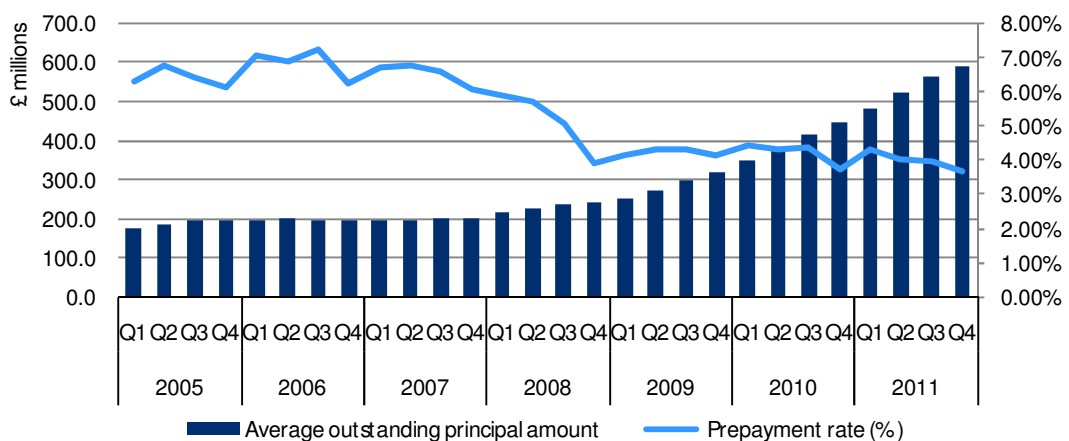
Source: MotoNovo Finance

### Static Cumulative Prepayment (All Vehicles)



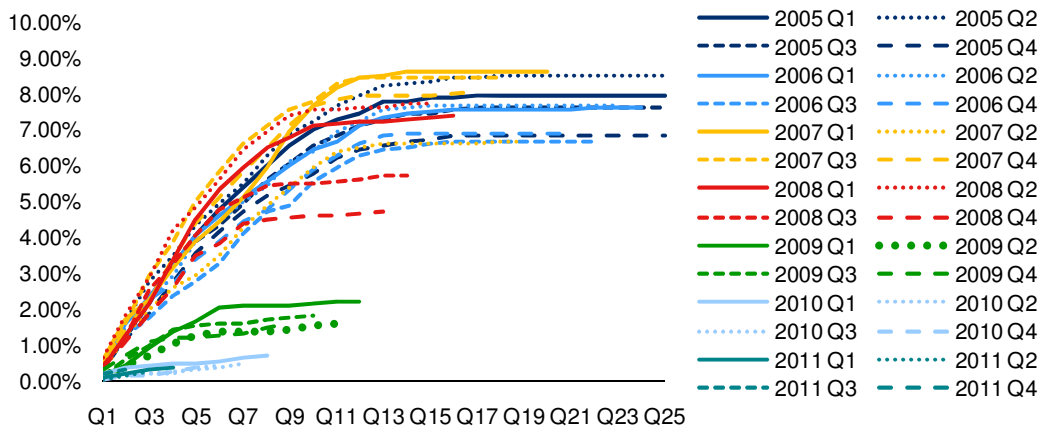
Source: MotoNovo Finance

### Dynamic Prepayment Rates (All Vehicles)



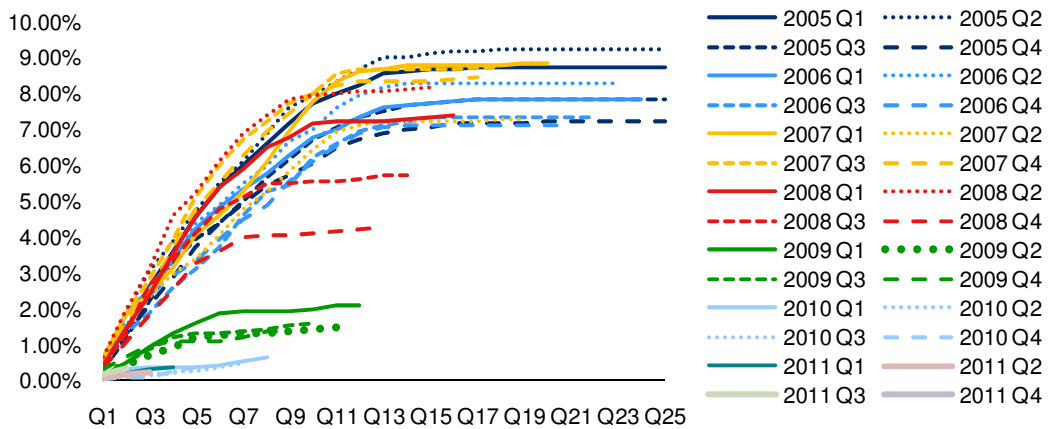
Source: MotoNovo Finance

### Static Cumulative Default Rates (All Vehicles)



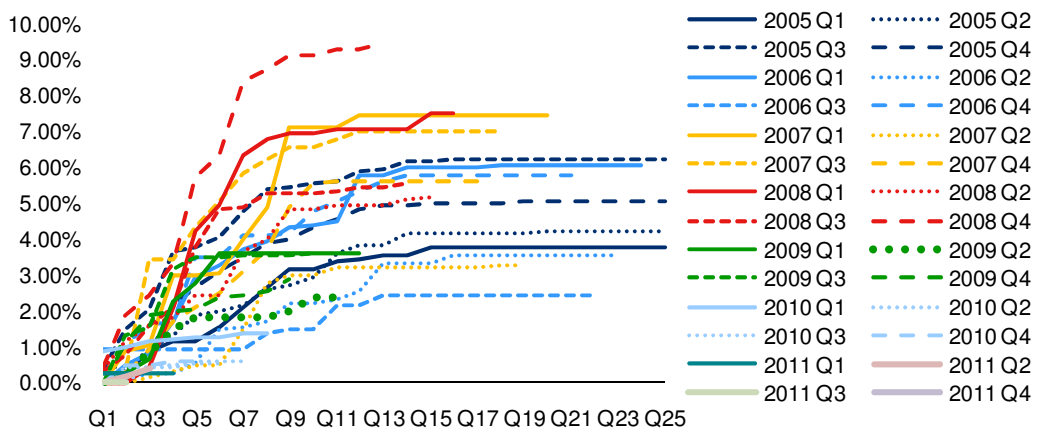
Source: MotoNovo Finance

### Static Cumulative Default Rates (Used Vehicles)



Source: MotoNovo Finance

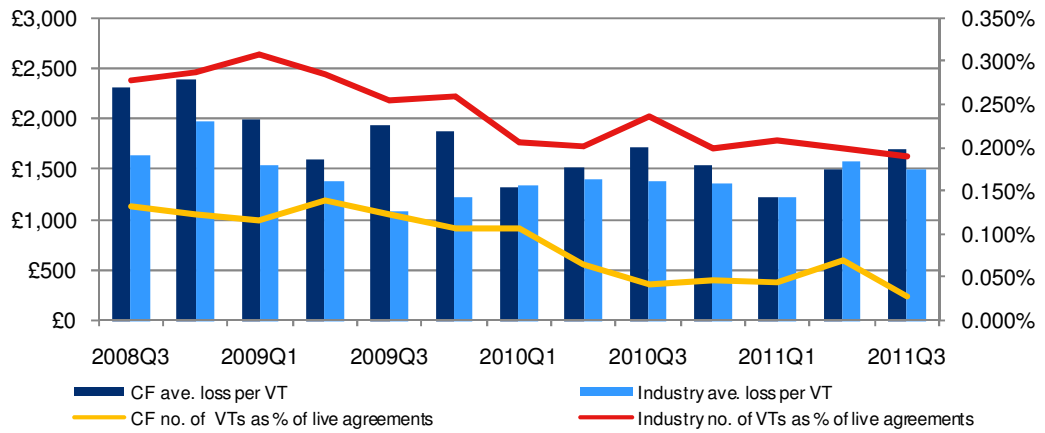
### Static Cumulative Default Rates (New Vehicles)



Source: MotoNovo Finance

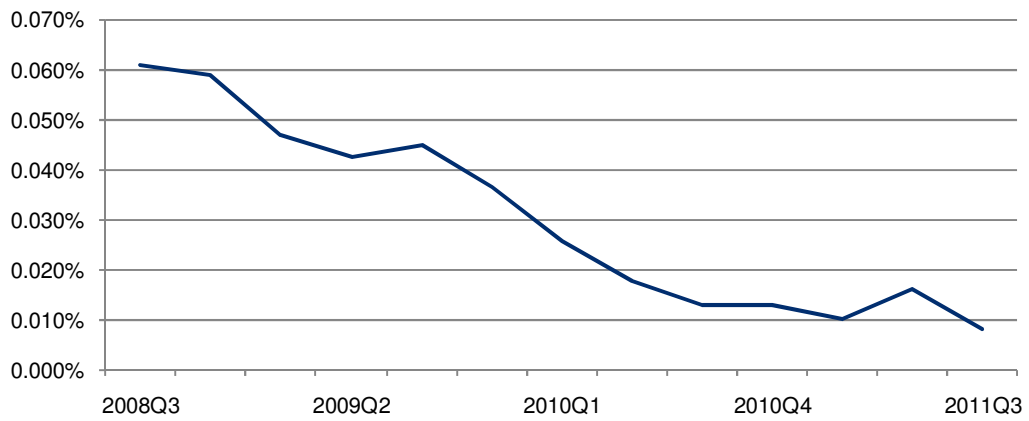


### Voluntary Terminations Experience (Carlyle Finance vs Industry)



Source: MotoNovo Finance

### Voluntary Termination Losses as Percentage of Average Balances of the Loans



Source: MotoNovo Finance

**SCHEDULED AMORTISATION OF THE PURCHASED RECEIVABLES AND ESTIMATED  
AMORTISATION OF THE NOTES**

This amortisation scenario is based on the Purchased Receivables Pool, as of 29 February 2012, and on the assumptions (i) that the Purchased Receivables balance starts to amortise immediately, (ii) that no losses or delinquencies occur, (iii) that the assumed CPR is 20.00 per cent and (iv) a call in May 2015. It should be noted that the actual amortisation of the Purchased Receivables balance may differ substantially from the amortisation scenario indicated below, which should not be relied upon.

**Expected Turbo Finance II cash flows assuming 20% CPR**

Period	Class A		Class B		Class C	
	Principal Outstanding at the Beginning of the Period	Class A Principal Cash Flows	Principal Outstanding at the Beginning of the Period	Class B Principal Cash Flows	Principal Outstanding at the Beginning of the Period	Class C Principal Cash Flows
May-12	255,000,000.00	12,667,111.85	38,000,000.00	0.00	21,617,000.00	0.00
Jun-12	242,332,888.15	12,371,463.04	38,000,000.00	0.00	21,617,000.00	0.00
Jul-12	229,961,425.11	12,076,728.41	38,000,000.00	0.00	21,617,000.00	0.00
Aug-12	217,884,696.70	11,792,516.53	38,000,000.00	0.00	21,617,000.00	0.00
Sep-12	206,092,180.17	11,490,929.32	38,000,000.00	0.00	21,617,000.00	0.00
Oct-12	194,601,250.85	11,205,964.81	38,000,000.00	0.00	21,617,000.00	0.00
Nov-12	183,395,286.04	10,927,135.23	38,000,000.00	0.00	21,617,000.00	0.00
Dec-12	172,468,150.82	10,655,831.98	38,000,000.00	0.00	21,617,000.00	0.00
Jan-13	161,812,318.84	10,394,856.55	38,000,000.00	0.00	21,617,000.00	0.00
Feb-13	151,417,462.29	10,111,138.47	38,000,000.00	0.00	21,617,000.00	0.00
Mar-13	141,306,323.82	9,824,563.70	38,000,000.00	0.00	21,617,000.00	0.00
Apr-13	131,481,760.12	9,547,938.46	38,000,000.00	0.00	21,617,000.00	0.00
May-13	121,933,821.66	9,263,225.36	38,000,000.00	0.00	21,617,000.00	0.00
Jun-13	112,670,596.30	9,012,908.17	38,000,000.00	0.00	21,617,000.00	0.00
Jul-13	103,657,688.14	8,738,161.14	38,000,000.00	0.00	21,617,000.00	0.00
Aug-13	94,919,527.00	8,488,170.24	38,000,000.00	0.00	21,617,000.00	0.00
Sep-13	86,431,356.76	8,233,043.77	38,000,000.00	0.00	21,617,000.00	0.00
Oct-13	78,198,312.99	7,984,402.58	38,000,000.00	0.00	21,617,000.00	0.00
Nov-13	70,213,910.41	7,748,391.47	38,000,000.00	0.00	21,617,000.00	0.00
Dec-13	62,465,518.94	7,507,706.44	38,000,000.00	0.00	21,617,000.00	0.00
Jan-14	54,957,812.49	7,302,800.94	38,000,000.00	0.00	21,617,000.00	0.00
Feb-14	47,655,011.55	7,038,991.75	38,000,000.00	0.00	21,617,000.00	0.00

Mar-14	40,616,019.81	6,697,407.10	38,000,000.00	0.00	21,617,000.00	0.00
Apr-14	33,918,612.71	6,337,246.02	38,000,000.00	0.00	21,617,000.00	0.00
May-14	27,581,366.69	6,150,037.62	38,000,000.00	0.00	21,617,000.00	0.00
Jun-14	21,431,329.07	5,837,427.80	38,000,000.00	0.00	21,617,000.00	0.00
Jul-14	15,593,901.27	5,582,411.75	38,000,000.00	0.00	21,617,000.00	0.00
Aug-14	10,011,489.51	5,296,056.67	38,000,000.00	0.00	21,617,000.00	0.00
Sep-14	4,715,432.85	4,715,432.85	38,000,000.00	345,636.47	21,617,000.00	0.00
Oct-14	0.00	0.00	37,654,363.53	4,823,817.21	21,617,000.00	0.00
Nov-14	0.00	0.00	32,830,546.32	4,552,739.15	21,617,000.00	0.00
Dec-14	0.00	0.00	28,277,807.17	4,359,195.38	21,617,000.00	0.00
Jan-15	0.00	0.00	23,918,611.79	4,169,106.39	21,617,000.00	0.00
Feb-15	0.00	0.00	19,749,505.40	3,929,874.50	21,617,000.00	0.00
Mar-15	0.00	0.00	15,819,630.90	3,649,510.04	21,617,000.00	0.00
Apr-15	0.00	0.00	12,170,120.86	3,442,124.03	21,617,000.00	0.00
May-15	0.00	0.00	8,727,996.83	8,727,996.83	21,617,000.00	21,617,000.00

## ESTIMATED WEIGHTED AVERAGE LIFE OF THE SENIOR NOTES

The estimated weighted average life of the Senior Notes refers to the average amount of time that will elapse (on a actual/365 basis) from the date of issuance of a Senior Note to the date of distribution of amounts to the holders of Senior Notes in reduction of principal of such Senior Note (assuming no losses) to zero. The weighted average life of the Senior Notes will be influenced by, amongst other things, the rate at which the Purchased Receivables are paid, which may be in the form of scheduled amortisation, prepayment or recovery upon default.

The following tables are prepared on the basis of certain assumptions, as described below, regarding the weighted average characteristics of the Receivables as of 29 February 2012, which comprise the Purchased Receivables Pool, and the performance thereof.

The table assumes, among other things, that:

- a) the Portfolio is subject to a constant annual rate of Prepayment as set out under "CPR";
- b) the Notes are issued on the assumed Closing Date of 29 March 2012;
- c) the Purchased Receivables are fully performing at any time during the life of the transaction with all instalments paid by the due date;
- d) the original outstanding balance of each Class of Notes is equal to the Principal Amount set forth on the front cover of this Prospectus;
- e) each Payment Date will fall on the 20<sup>th</sup> of each month with the first Payment Date falling on 21 May 2012;
- f) there are no Delinquent Receivables or Defaulted Receivables during the life of the transaction and the Receivables are always paid on the relevant due date; and
- g) the Transaction terminates on the exercise of the Clean-Up Call (as indicated).

The estimated average life of the Senior Notes, at various assumed rates of Prepayment of the Purchased Receivables, would be as follows:

CPR	Class A			Class B			Class C		
	Average Life (in years)	First expected principal payment	Expected maturity	Average Life (in years)	First expected principal payment	Expected maturity	Average Life (in years)	First expected principal payment	Expected maturity
0%	1.57	May-12	May-15	3.46	May-15	Dec-15	3.72	Dec-15	Dec-15
5%	1.44	May-12	Mar-15	3.32	Mar-15	Oct-15	3.56	Oct-15	Oct-15
10%	1.33	May-12	Jan-15	3.18	Jan-15	Sep-15	3.47	Sep-15	Sep-15
15%	1.22	May-12	Nov-14	3.03	Nov-14	Jul-15	3.31	Jul-15	Jul-15
20%	1.13	May-12	Sep-14	2.86	Sep-14	May-15	3.14	May-15	May-15
25%	1.04	May-12	Aug-14	2.70	Aug-14	Mar-15	2.97	Mar-15	Mar-15
30%	0.96	May-12	Jun-14	2.54	Jun-14	Jan-15	2.81	Jan-15	Jan-15

The estimated weighted average life of the Senior Notes cannot be predicted as the actual rate at which the Receivables will be repaid and a number of other relevant factors are unknown.

The estimated weighted life of the Senior Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and the estimates above will prove in any way to be realistic and they must therefore be viewed with considerable caution.

## THE SELLER AND SERVICER

### FIRSTRAND BANK ISSUER INFORMATION

FirstRand Bank Limited (the "**Bank**" or "**FRB**") provides a comprehensive range of retail, commercial, corporate and investment banking services in South Africa and niche products through its branches in India and London. As at 30 June 2011, the Bank was the third largest bank in South Africa measured by total assets (according to statistics published by the South African Reserve Bank ("**SARB**") (Source: BA900, SARB)). As at 30 June 2011, the Bank had total assets of R616.7 billion (equivalent to U.S.\$91.1 billion at a U.S.\$/R exchange rate of 6.77), compared to R576.4 billion (equivalent to U.S.\$ 75.3 billion at a U.S.\$/R exchange rate of 7.658) as at 30 June 2010. The Bank's profit attributable to ordinary shareholders amounted to R7.8 billion for the year ended 30 June 2011, up from R5.3 billion for the year ended 30 June 2010.

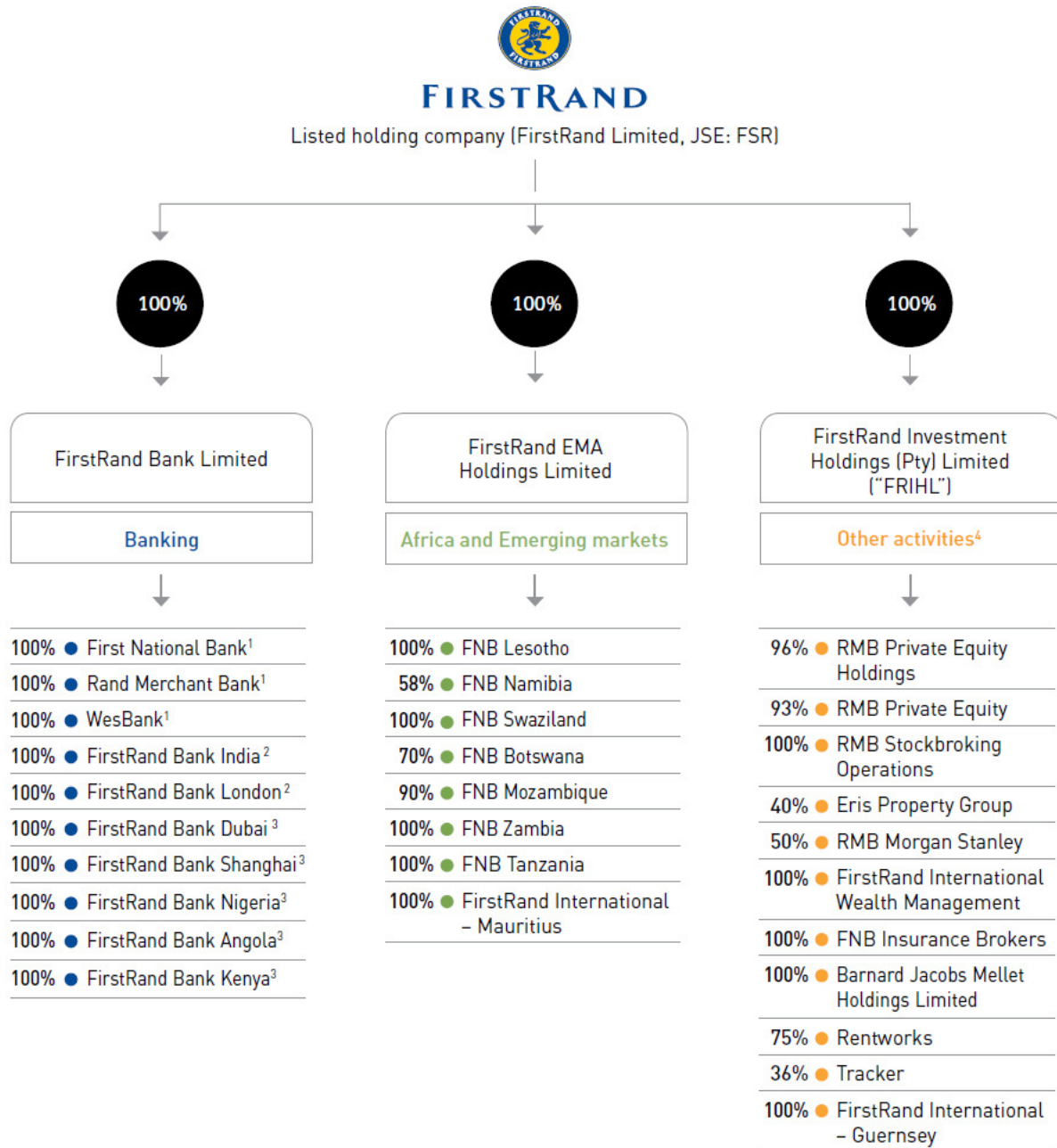
The Bank is 100 per cent. owned by FirstRand Limited ("**FirstRand**" together with its subsidiaries the "**Group**"). Listed on the Johannesburg Stock Exchange ("**JSE**") and the Namibian Stock Exchange, FirstRand is one of the largest financial institutions in South Africa and provides banking and insurance products and services to retail, commercial, corporate and public sector customers in South Africa and several African countries. FirstRand's market capitalisation was R111.9 billion (equivalent to U.S.\$16.5 billion at a U.S.\$/R exchange rate of 6.77) as at 30 June 2011.

The Bank operates through divisions which are separately branded and provide distinct banking products and financial services. The Bank's primary divisions are First National Bank ("**FNB**"), Rand Merchant Bank ("**RMB**") and WesBank. FNB provides retail and corporate banking services, including savings and deposit accounts, credit cards, overdraft facilities, cheque accounts, mortgage finance and loans. RMB is the investment banking division of the Bank. It offers specialist services, and takes principal positions, in the fields of corporate finance, structured finance, project finance, private equity and trading markets. WesBank provides instalment finance to the retail and corporate market, in particular, finance for motor vehicles, aircraft and industrial plants.

The Bank holds a full banking licence granted by the South African Registrar of Banks and is authorised as a financial services provider in South Africa by the Registrar of Financial Services Providers. The Bank is also an authorised dealer in foreign exchange in terms of the Exchange Control Regulations of the SARB. It is a Central Securities Depository Participant in STRATE Limited and is a member of the JSE.

The structure of the Group is shown in the organogram below:

*Simplified Group structure (showing major legal entities)*



Structure shows effective shareholding [consolidated]

1 Division

2 Branch

3 Representative office

4 For segmental analysis purposes entities included in FRIHL are reported as part of the results of managing franchise

FirstRand Bank Limited operates in the United Kingdom through its London Branch ("**FRB London**") and was registered with Companies House as 'an overseas company' on the 18th June 2008 under reference FC0248417 (branch – BR010027). The establishment of the branch was approved by SARB on the 15th of August 2008 and by the Financial Services Authority on the 17th September 2008.

FirstRand Bank Limited has approved the proposed transaction described in this Prospectus by way of a written resolution of the board of directors dated 1 December 2011.



## **BUSINESS PROCEDURES OF FIRSTRAND BANK LIMITED ACTING THROUGH ITS LONDON BRANCH**

Under the Servicing Agreement, the Receivables are to be administered together with all other receivables from hire purchase contracts of FRB London according to FRB London's normal business procedures as they exist from time to time. The Obligors will not be notified of the fact that the Receivables from their Financing Contracts have been assigned to the Issuer, except upon the occurrence of a Notification Event. The Receivables will be administered by FRB London under the trade name MotoNovo Finance. Prior to 14 February 2012, MotoNovo Finance traded under the name of "Carlyle Finance".

The normal business procedures of FRB London currently include the following:

### **Submission of the Financing Contract and Underwriting of the Prospective Obligor**

All new business proposals from supporting dealers and accompanying support documentation are submitted to the New Business Centre either via fax, email or through Nexus by the dealer. Prior to input, the proposal is cleansed and any missing information is obtained from the dealer or the customer. Once complete, the proposal is input onto Carport and queued for underwriting. It is a policy to grant credit to applicants in accordance with the FRB London / MotoNovo Finance Credit Risk Policy after first taking all reasonable steps to ascertain their creditworthiness and apparent ability to service the agreement. FRB London / MotoNovo Finance ensure that all business is originated and maintained in a compliant manner.

Currently, approximately 70 per cent. of business is underwritten automatically using an electronic scorecard. The electronic scorecard scrutinises information derived from credit reference agencies as well as customer supplied profile data. Dual credit and customer characteristics are mapped to a demographic scorecard engineered from the proposal details and using actual payment performance on a robust and suitably mature sample size that had been subject to a retrospective exercise via Equifax. The resulting score provides an assessment with respect to the risk of granting a financing contract to the respective applicant. The scoring process (in particular the weight or the value of the individual scoring criteria and the scoring result) is treated as strictly confidential. The performance of the scoring system is monitored regularly by Wesbank, South Africa with any changes to the scoring system based on the results of regular statistical analysis.

The remaining 30 per cent. is subject to manual underwriting by a team of dedicated underwriters. Underwriters have a high level of experience in underwriting with each personally mandated a transaction limit up to which she/he may underwrite a given loan. The underwriter will review the proposal and underwrite in accordance with their mandate, recording their rationale for the decision on the agreement notes. If the proposal is outside their mandate, the underwriter will record their recommendation on the agreement notes and pass on to a higher-mandated underwriter.

The underwriting decision is communicated to the dealer and the proposal re-routed to the appropriate work queue. Automated decisions are typically relayed to the dealer within 2 to 3 minutes with electronically submitted referred proposals turned around in 10 to 12 minutes and faxed proposals in around 30 to 40 minutes. Upon acceptance, an automatically generated "acceptance letter" is immediately sent to the customer and the documents are sent to the dealer. The dealer/customer accepts and signs the agreement which is resubmitted along with supporting documents and captured electronically. By signing the application the customer signifies its acceptance of the finance conditions.

The Obligor pays a contractually specified monthly instalment on a stipulated payment date, with the number of payments corresponding with the number of months covered by the financing period. The Obligor may opt for a "pause month", which provides a one month payment holiday at the inception of the agreement. The Obligor may also opt for a larger final instalment due at the end of the Financing Contract term subject to acceptance by a sufficiently mandated underwriter. The standard payment method is direct debit with the customer choice of debit date, with the standard being the agreement live date. In exceptional circumstances, customers may switch to other forms of payments such as cash, cheque, debit card, internet transfer etc., although this is actively discouraged.

While the Receivable is performing there is minimal customer interaction with the exception of changes to banking details, contact details, address, etc. Annual automated statements are provided to clients as required by the CCA.

### **Collections**

Collections are handled by a dedicated collections team based in Cardiff supported by an outsourced arrangement with Bluestone Credit Management ("BCM"). The Collections team focus on those accounts 1 to 4

payments in arrears with the later stages of delinquency handled by BCM. MotoNovo Finance has implemented a traffic light system in order to highlight and manage the arrears process efficiently with a £70 minimum arrears amount before referring an agreement to the Green team.

#### Green Team

FRB London / MotoNovo Finance receives direct debits on the specified due date and by way of direct contact with the Obligor's bank. In cases where a payment is missed or the Obligor's bank does not render payment of the direct debit amount, a text message is sent automatically to the Obligor informing them of the missed payment. Normally 3 days after the due date of payment first reminder letters are sent. In addition to issuing written reminder notices to such Obligors, collection operations are also executed via a telephone dialler campaign with Gothia, a leading UK debt collection agency, specialising in the motor finance industry.

If the account remains delinquent for 8 days, the case is handed to the Collections Green Team for manual dialling with calls placed at a minimum weekly and at a maximum daily. In the event that payment continues to remain outstanding, an escalation letter and a Notice of Default is generally issued to the Obligor as of the 24<sup>th</sup> day.

#### Amber Team

After 31 days, the second payment becomes due. Where the second payment is potentially missed, the Collections team intensifies telephone contact and sends final letters. After an account is 42 days past due, the agreement is automatically terminated. If the matter remains unresolved then a decision is made on how the case should be progressed. Typically, if under a third of the finance has been repaid it is passed to field agents to collect the full arrears or recover the vehicle. If, however, over a third of the finance has been repaid, the agreement is passed to BCM for activity specified below:

- Intensive telephone activity (during a maximum of 7 days);
  
- If contact is made, and BCM are unable to rehabilitate the agreement, a scheduled appointment is booked (the average turnaround for a completed visit is of less than 28 days from date of instruction);
  
- If no contact is made, an unscheduled visit is initiated (a minimum of 3 visits are attempted, the average turnaround for completed visits is of less than 28 days from date of instruction);
  
- If resolved in field, positive outcomes are either:
  - full settlement;
  - full arrears;
  - voluntary surrender negotiated; or
  - payment arrangement negotiated;
  
- If no successful resolution forthcoming, the case is either:
  - progressed for legal action to recover the vehicle (it usually takes approximately 90 calendar days to obtain a court order); or
  - deemed as uneconomical to pursue for legal action where CAP Average is less than £1000.

#### Red Team

The Red Team is responsible for cases which have been passed to third party agents, managing those relationships and ensuring that updates on each case are received on a regular basis. If an agent returns a case as a negative, or if it is deemed that their response is not within acceptable service standards, then they will cancel the first agent and instruct a second phase agent. They will also work by telephone and letter on those cases which are 60/90/120 days past due, and the balances are too small to consider field or legal action, are responsible for insurance claims (motor insurance, payment protection and GAP claims), and for managing the collection and sale of our repossessions and voluntary repossessions.

### **Recovery Procedure**

A combination of recovery agents are utilised to ensure that geographically, national coverage is achieved throughout the UK mainland. Agencies go through a rigorous selection process in terms of compliance and commerciality. Through strict service level agreements FRB London / MotoNovo Finance ensures that agents are incentivised to recover vehicles in a timely manner, whereby remuneration is based on a sliding pay scale if vehicles are recovered in 7, 14 or 21 days.

In terms of vehicle disposals, the majority of vehicles are sold through Manheim auctions.

In addition, G3 Remarketing has been appointed, who offer a slightly different proposition by advertising the vehicles as a dealer through Autotrader for 14 days prior to offering those which remain unsold through an online auction.

### **Written Off Receivables**

Written off receivables are receivables in respect of which the terms of the agreement have not been fulfilled by the relevant Obligor and the asset has typically been recovered and sold or is of no value to FRB London and any balance due from the Obligor is passed to a debt collection agency to collect.

### **Auditors**

PricewaterhouseCoopers LLP, One Kingsway, Cardiff, CF10 3PW audits the financial information of FRB London for the purpose of their inclusion within the financial statements of FirstRand Bank Limited. FirstRand Bank Limited is audited jointly by PricewaterhouseCoopers Inc and Deloitte & Touche.

## THE ISSUER

### General

The Issuer was established as a special purpose vehicle and incorporated and registered in England and Wales (registered number 7911005) under the Companies Act 2006 with limited liability as a public limited company on 16 January 2012.

### Registered Office

The Issuer's registered office is at 35 Great St. Helen's, London, EC3A 6AP, England. The telephone number of the Issuer is +44 (0)207 398 6300.

### Principal Activities

There are no restrictions on the objects of the Issuer in its Articles of Association and the Issuer is therefore permitted, amongst other things, to borrow money, grant security over its property for the performance of its obligations and to purchase property.

The Issuer was established to issue the Notes, to purchase the Receivables, to enter into the Transaction Documents and to carry out any and all other activities related to the transactions described in this Prospectus.

The Issuer has no subsidiaries or employees.

Since its incorporation, the Issuer has not carried on any business or activities other than those incidental to its incorporation, the authorisation and issue of the Notes and the purchase of the Receivables and activities incidental to the exercise of its rights and compliance with its obligations under the Transaction Documents (including registration under the Data Protection Act 1998 and becoming licensed under the CCA) and any other documents entered into in connection with the issue of the Notes.

Since its date of incorporation, the Issuer has not commenced operations and no financial statements of the Issuer have been prepared as at the date of this Prospectus.

### Management

The directors of the Issuer and, where applicable, their respective business addresses and principal activities are:

<b>Name</b>	<b>Business Address</b>	<b>Principal Activity</b>
SFM Directors Limited (a company incorporated in England and Wales, registered number 3920254)	35 Great St. Helen's, London, EC3A 6AP, England	Provision of directors and corporate management services to structured finance transactions
SFM Directors (No. 2) Limited (a company incorporated in England and Wales, registered number 4017430)	35 Great St. Helen's, London, EC3A 6AP, England	Provision of directors and corporate management services to structured finance transactions
John Paul Nowacki	35 Great St. Helen's, London, EC3A 6AP, England	Director

The directors of the Issuer may engage in other activities and have other interests which may conflict with the interests of the Issuer. As a matter of English law, each director is under a duty to act honestly and in good faith with a view to the best interests of the Issuer, regardless of any other directorships he may hold.

The directors of the Issuer have the requisite experience for the management of its business. Pursuant to the terms of the Corporate Services Agreement, the Corporate Services Provider will provide directors and certain other corporate and administration services to the Issuer in consideration for the payment by the Issuer of an annual fee to the Corporate Services Provider.

The secretary of the Issuer is SFM Corporate Services Limited, a company incorporated in England and Wales with the registered number 3920255 and having its registered office is at 35 St. Helen's, London, EC3A 6AP.

### Capital and Shares

The authorised share capital of the Issuer is comprised of 50,000 ordinary shares of £1 each.

Pursuant to a Declaration of Trust dated 17 January 2012, SFM Corporate Services Limited (in such capacity, the "**Share Trustee**"), a company incorporated in England and Wales and having its registered office at 35 St. Helen's, London, EC3A 6AP, holds 50,000 shares of the Issuer on trust for charitable purposes.

The Share Trustee will have no beneficial interest in and derive no benefit (other than fees) for acting as Share Trustee from its holding of shares in the Issuer.

### Capitalisation

The following table sets out the capitalisation of the Issuer as at the date hereof:

<b>Share Capital</b>	pounds sterling
<b>Authorised:</b>	50,000
50,000 ordinary shares of £1 each	
<b>Issued:</b>	
£50,000 ordinary shares of £1.00 each, (all such shares other than one being a quarter paid up)	12,500.75
<b>Loan Capital:</b>	
Notes	319,747,000
<b>Total capitalisation:</b>	319,759,500.75

As at the date hereof, save as disclosed above, the Issuer has no loan capital outstanding or authorised but unissued shares, no term loans outstanding and no other borrowings or indebtedness in the nature of the borrowing nor any contingent liabilities or guarantees. The current financial period of the Issuer will end on 30 June 2013.

### Auditors

The independent auditor of the Issuer is PricewaterhouseCoopers LLP, chartered accountants and registered auditors in the United Kingdom, whose office is located at One Kingsway, Cardiff, CF10 3PW.

### Tax

It is considered that the Issuer will qualify as a "securitisation company" for the purposes of the United Kingdom Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296) (the "**Regulations**") with effect from the Closing Date and will be subject to United Kingdom corporation tax on its retained profit in accordance with the Regulations. The amount of such profit is expected to be £750 per annum.

## SWAP COUNTERPARTY

*This description of the Swap Counterparty does not purport to be a summary of, and is therefore subject to, and qualified in its entirety by reference to, the detailed provisions of the Swap Agreement and the other Transaction Documents.*

BNP Paribas, Europe's leading provider of banking and financial services, has four domestic retail banking markets in Europe, namely in Belgium, France, Italy and Luxembourg.

It is present in 79 countries and has almost 200,000 employees, including over 155,000 in Europe. BNP Paribas holds key positions in its three activities:

- Retail Banking, which includes the following operating entities:
  - French Retail Banking (FRB),
  - BNL banca commerciale (BNL bc), Italian retail banking,
  - BeLux Retail Banking,
  - Europe-Mediterranean,
  - BancWest,
  - Personal Finance,
  - Equipment Solutions;
- Investment Solutions;
- Corporate and Investment Banking (CIB).

BNP Paribas SA is the parent company of the BNP Paribas Group.

At 31 December 2011, the Group had consolidated assets of €1,965.3 billion (compared to €1,998.2 billion at 31 December 2010), consolidated loans and receivables due from customers of €665.8 billion (compared to €684.7 billion at 31 December 2010), consolidated items due to customers of €546.3 billion (compared to €580.9 billion at 31 December 2010) and shareholders' equity (Group share) of €75.4 billion (compared to €74.6 billion at 31 December 2010). Pre-tax net income at 31 December 2011 was €9.7 billion (compared to €13.0 billion at 31 December 2010). Net income, Group share, at 31 December 2011 was €6.0 billion (compared to €7.8 billion at 31 December 2010). For up-to-date financial information, including quarterly results since the last fiscal year end, please refer to <http://invest.bnpparibas.com>.

The Group currently has long-term senior debt ratings of "AA-" with negative outlook from Standard & Poors, "Aa3" on watch with a view to a possible downgrade from Moody's and "A+" with stable outlook from Fitch.

## ACCOUNT BANK

*This description of the Account Bank does not purport to be a summary of, and is therefore subject to, and qualified in its entirety by reference to, the detailed provisions of the Account Agreement and the other Transaction Documents.*

BNP Paribas, Europe's leading provider of banking and financial services, has four domestic retail banking markets in Europe, namely in Belgium, France, Italy and Luxembourg.

It is present in 79 countries and has almost 200,000 employees, including over 155,000 in Europe. BNP Paribas holds key positions in its three activities:

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  - French Retail Banking (FRB),
  - BNL banca commerciale (BNL bc), Italian retail banking,
  - BeLux Retail Banking,
  - Europe-Mediterranean,
  - BancWest,
  - Personal Finance,
  - Equipment Solutions;
- Investment Solutions;
- Corporate and Investment Banking (CIB).

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The Group currently has long-term senior debt ratings of "AA-" with negative outlook from Standard & Poors, "Aa3" on watch with a view to a possible downgrade from Moody's and "A+" with stable outlook from Fitch.

## **BACK-UP SERVICER**

*This description of the Back-up Servicer does not purport to be a summary of, and is therefore subject to, and qualified in its entirety by reference to, the detailed provisions of the Back-up Servicing Agreement and the other Transaction Documents*

Homeloan Management Limited

Homeloan Management Limited ("**HML**") (a wholly-owned subsidiary of Skipton Building Society, which is itself regulated by the FSA) has been appointed as the Back-up Servicer pursuant to the Back-up Servicing Agreement and pursuant to which HML is responsible for the provision of certain administration services.

HML is one of the largest financial outsourcers in the UK and Ireland, and is responsible for delivering a diverse range of administration and analytical services to support a variety of mortgage, savings and loan products. HML manages over £40bn of assets for 34 leading financial institutions across the Commercial and Residential mortgage markets. In addition, HML has developed propositions within the retail deposit and unsecured/instalment credit markets utilising its experience, scalable infrastructure and IT platforms specifically designed for such markets, and continues to grow its Client base and develop scale through these two key strategic growth areas

The registered office and principal place of business of HML are The Bailey, Skipton BD23 1DN and Gateway House, Gargrave Road, Skipton BD23 2HL respectively. HML has a residential primary servicer rating of RPS2+ (Rating Watch Negative) by Fitch and S&P's Primary Servicer rating of Above Average with a Stable Outlook. The Skipton Building Society's has a long term rating of Ba1 by Moody's and has a long term issuer default rating of BBB by Fitch.



## SUMMARY OF PROVISIONS RELATING TO NOTES IN GLOBAL FORM

Each class of Notes will initially be in the form of a Temporary Global Note which will be delivered on or around the Closing Date to the Common Safekeeper. Each Temporary Global Note will be exchangeable in whole or in part for interests in the related Permanent Global Note not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected until certification of non-U.S. beneficial ownership is received by the Paying Agent.

The Permanent Global Notes will become exchangeable in whole, but not in part, for Notes in definitive form each issued in minimum denominations of £100,000 and higher multiple integrals of £1,000 at the request of the bearer of a Permanent Global Note against presentation and surrender of the Permanent Global Note to the Paying Agent if any of the following events (each an "Exchange Event") occurs:

- (a) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no other clearing system acceptable to the Trustee is then in existence; or
- (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political sub-division thereof), or of any United Kingdom Tax Authority or in the interpretation or administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will on the next Payment Date be required to make any deduction or withholding for or on account of Tax from any payment in respect of the Notes which would not be required were such Notes in definitive form.

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with receipts, Coupons and talons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the specified office of the Paying Agent within 30 days of the occurrence of the relevant Exchange Event.

In addition, the Temporary Global Notes and the Permanent Global Notes will contain provisions which modify the Conditions of the Notes as they apply to the Temporary Global Notes and the Permanent Global Notes. The following is a summary of certain of those provisions:

*Nominal amounts:* The nominal amount of the Notes represented by each Global Note shall be the aggregate amount from time to time entered in the records of both Euroclear and Clearstream, Luxembourg (in their capacity as the "ICSDs"). 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 nominal amount of the Notes and, for these purposes, a statement issued by an ICSD stating the nominal amount of the Notes at any time (which statement shall be made available to the bearer upon request) shall be conclusive evidence of the records of such ICSD at that time.

*Payments:* All payments in respect of the Temporary Global Notes and the Permanent Global Notes will be made by wire transfer by the Paying Agent to Euroclear and Clearstream for onward credit to the Noteholders and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes.

A record of each payment made on a Global Note, distinguishing between any payment of interest and principal will be entered *pro rata* in the records of the ICSDs and, upon any such entry being made, the nominal amount of the Notes recorded in the records of the ICSDs and represented by the relevant Global Note shall be reduced by the aggregate nominal amount of such instalment so paid. Any failure to make the entries referred to above shall not affect the discharge of the corresponding liabilities of the Issuer in respect of the Notes.

*Notices:* Notwithstanding Condition 17 (*Notices to Noteholders*), while any of the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) kept with a common safekeeper for Euroclear and Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 17 (*Notices to Noteholders*) on the date of delivery to Euroclear and Clearstream, Luxembourg.

*Transfers:* For so long as the Notes are represented by the relevant Global Notes, the Notes so represented by such Global Notes will be transferable in accordance with the rules and procedures for the time being of Euroclear, or, as the case may be, Clearstream, Luxembourg and the Issuer, the Paying Agent and the Trustee may treat each Person who is for the time being shown in the records of Euroclear or of Clearstream,

Luxembourg as the holder of a particular principal amount of Class A Notes, Class B Notes, Class C Notes or Class D Notes (as the case may be) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of the Notes standing to the account of any Person shall be conclusive and binding for all purposes) as the holder of such principal amount of such Notes for all purposes, other than with respect to the payment of interest and repayment of principal on such Notes, the right to which shall be vested solely in the bearer of the relevant Global Note and in accordance with its terms.

*Meetings:* The holder of each Global Note will be treated as being two Persons for the purposes of any quorum requirement of, or the right to demand a poll at, a meeting of holders of each class of the Notes, as the case may be, and, at any such meeting, as having one vote in respect of each £1,000 as applicable, principal amount of each class of the Notes for which the Global Note may be exchanged.

## TERMS AND CONDITIONS OF THE NOTES

*If the Notes were to be issued in definitive form, the terms and conditions set out on the reverse of each of the Notes would be as follows. While the Notes are represented by Global Notes, they will be governed by the same terms and conditions except to the extent that such terms and conditions are appropriate only to securities in definitive form or are expressly varied by the terms of such Global Notes.*

The Notes are subject to, and have the benefit of a trust deed to be dated the Closing Date (the "**Trust Deed**") made between the Issuer and BNP Paribas Trust Corporation UK Limited as trustee for the Noteholders (the "**Trustee**").

Any reference to the Notes in these terms and conditions (the "**Conditions**") shall include the Global Notes and the Definitive Notes. The security for the Notes is created pursuant to, and on the terms set out in, a deed of charge to be dated the Closing Date (the "**Deed of Charge**") made between the Issuer and the Trustee as security trustee for the Transaction Creditors and the assignation in security to be dated the Closing Date (the "**Assignment in Security**").

Pursuant to a paying agency agreement (the "**Paying Agency Agreement**") to be dated the Closing Date and made between the Issuer, the Trustee and BNP Paribas Securities Services, Luxembourg Branch (in such capacities, the "**Paying Agent**" and the "**Agent Bank**"), provisions are made for, *inter alia*, the payment of principal and interest in respect of the Notes.

Terms used herein have the meanings given to them in Condition 1 (*Definitions*) of the Conditions, unless defined otherwise. Copies of the Trust Deed, the Paying Agency Agreement and the other Transaction Documents are available for inspection during normal business hours at the specified office of the Paying Agent, being at the date hereof 35, rue de Gasperich L-5826 Hesperange, Luxembourg. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Paying Agency Agreement and the other Transaction Documents.

### 1. DEFINITIONS

"**Account Agreement**" means the account agreement between the Issuer, the Cash Manager, the Account Bank and the Trustee governing the Accounts dated on or about the Closing Date.

"**Account Bank**" means BNP Paribas, London Branch.

"**Accounts**" means the Cash Reserve Account, the Issuer Account and the Swap Collateral Cash Account.

"**Accrued Interest**" means in respect of a Note, the interest which has accrued on that Note.

"**Additional Fitch Required Rating**" means, in connection with Fitch only, a long-term rating of "BBB-" and a short-term rating of "F3" with no Rating Watch Negative applicable to the Swap Counterparty's (or any credit support provider's) unsecured and unsubordinated debt obligations.

"**Administrator Recovery Incentive**" means any incentive fee, costs and/or expenses payable, pursuant to the Servicing Agreement, to an Insolvency Official of FRB London in relation to the sale of Financed Objects after any Insolvency Event of FRB London.

"**Agent Bank**" means BNP Paribas Securities Services, Luxembourg Branch.

"**Agents**" means the Agent Bank and the Paying Agent.

"**Aggregate Cut-Off Date Principal Balance**" means the Aggregate Principal Balance as of the Cut-Off Date, being £314,617,212.

"**Aggregate Principal Balance**" means, as at a relevant date, the sum of the Principal Balance of all Purchased Receivables.

"**Ancillary Rights**" means, in relation to a Receivable, all remedies for enforcing the same including, for the avoidance of doubt and without limitation:

- (a) the right to demand, sue for, recover, receive and give receipts for all amounts due and to become due whether or not from Obligors or guarantors under or relating to the Financing Contract to which such Receivable relates and all guarantees (if any) (including, for the avoidance of doubt, any Enforcement Proceeds received by the Seller or its agents);
- (b) the benefit of all covenants and undertakings from Obligors and from guarantors under the Financing Contract to which such Receivable relates and under all guarantees (if any);

- (c) the benefit of all causes and rights of actions against Obligors and guarantors under and relating to the Financing Contract to which such Receivable relates and under and relating to all guarantees (if any);
- (d) the benefit of any other rights, title, interest, powers and benefits of the Seller into, under, pursuant to or in relation to such Financing Contract other than rights specifically relating to legal title to the Financed Object itself with such rights including, without limitation, the right of ownership; plus
- (e) any Insurance Proceeds received by the Seller or its agents pursuant to Insurance Claims in each case insofar as the same relate to the Financing Contract to which such Receivable relates.

"**Assignment in Security**" means the assignment in security to be granted by the Issuer in favour of the Trustee substantially in the form annexed to the Deed of Charge.

"**Available Distribution Amount**" in respect of a Payment Date, means the amount calculated on the relevant Calculation Date being the sum of the following amounts:

- a) in the case of the first Payment Date falling on 21 May 2012, the Collections received from the Cut-Off Date until 30 April 2012 (inclusive) and, for all subsequent Payment Dates, the Collections received for the immediately preceding Monthly Period (or, in the event payment of principal is deferred pursuant to Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*), the Collections received for the Monthly Period immediately preceding the Servicing Report Delivery Failure and each subsequent Monthly Period up to and including the Monthly Period immediately preceding the relevant Payment Date); plus
- b) any amounts standing to the credit of the Cash Reserve Account on the relevant Calculation Date; plus
- c) net investment earnings from Permitted Investments as calculated on the relevant Calculation Date; plus
- d) any amounts standing to the credit of the Issuer Account on the relevant Calculation Date which represent interest accrued on such account; plus
- e) the Net Swap Receipts under the Swap Agreement to be received by the Issuer on the relevant Payment Date; plus
- f) in the case of the first Payment Date falling on 21 May 2012, any VAT Adjustment Amounts received from the Cut-Off Date until 30 April 2012 (inclusive) and, for all subsequent Payment Dates, any VAT Adjustment Amount received for the immediately preceding Monthly Period (or, in the event payment of principal is deferred pursuant to Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*), any VAT Adjustment Amount received for the Monthly Period immediately preceding the Servicing Report Delivery Failure and each subsequent Monthly Period up to and including the Monthly Period immediately preceding the relevant Payment Date); less
- g) where the payment of principal has been deferred pursuant to Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*), any amounts received by the Issuer that have been applied by the Cash Manager towards payment of interest on the Most Senior Class Outstanding and any other amount ranking in priority thereto in accordance with the provisions of Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*) within the period of such principal repayment deferral.

"**Back-up Servicing Agreement**" means the back-up servicing agreement between the Back-up Servicer, the Issuer, the Seller and the Trustee dated on or about the Closing Date.

"**Back-up Servicer**" means Homeloan Management Limited.

"**Basic Terms Modification**" means any modification of the terms of the relevant Class of Notes which relates to:

- a) altering the Priority of Payments;
- b) altering the date of maturity of the Notes of the relevant Class;
- c) a modification which would have the effect of changing any day for payment of interest or any other distributions (as the case may be) in respect of such Notes;
- d) changing the amount of principal or any other distributions (as the case may be) payable in respect of such Notes;

- e) the alteration of the Class A Notes Interest Rate, the Class B Notes Interest Rate, the Class C Notes Interest Rate or the Class D Notes Interest Rate;
- f) the alteration of the majority or quorum required to pass an Extraordinary Resolution;
- g) the alteration of the currency of payment of such Notes; or
- h) any alteration of the definition of Basic Terms Modification.

"**Business Day**" means any day which is a TARGET2 Day or, if such day is not a day on which banks are open for business in London and Luxembourg, the next succeeding TARGET2 Day on which banks are open for business in London and Luxembourg.

"**Calculation Date**" means, in relation to a Payment Date, the second Business Day prior to such Payment Date.

"**Cash Management Agreement**" means the cash management agreement between the Issuer, the Cash Manager and the Trustee dated on or about the Closing Date.

"**Cash Management Fee**" means the fee payable to the Cash Manager pursuant to the Cash Management Agreement.

"**Cash Manager**" means BNP Paribas Securities Services, Luxembourg Branch.

"**Cash Reserve Account**" means the account held in the name of the Issuer with the Account Bank, IBAN: GB 76 BNPA 2346 3582 2330 20.

"**Cash Reserve Amount**" means the outstanding balance of the Cash Reserve Account from time to time.

"**Charged Transaction Documents**" means the Transaction Documents other than the Trust Deed, the Deed of Charge and the Assignment in Security.

"**Class**" or "**class**" means any of the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes.

"**Class A Margin**" means 1.40 per cent. per annum.

"**Class A Noteholders**" means the holders of the Class A Notes.

"**Class A Notes**" means the class A notes issued by the Issuer on the Closing Date with a total principal amount of £255,000,000 ranking senior to the Class B Notes, Class C Notes and Class D Notes with respect to the payment of interest and principal respectively.

"**Class A Notes Interest Amount**" has the meaning given to it in Condition 6.6 (*Interest - Interest Rates on the Notes*).

"**Class A Notes Interest Rate**" means one-month LIBOR for Sterling deposits (or, in the case of the first Interest Period from (and including) the Closing Date to (but excluding) the Payment Date falling on 21 May 2012 an interpolation of the LIBOR for 1 and 2 month Sterling deposits) plus the Class A Margin.

"**Class A Principal Payment Amount**" means, at each Calculation Date, an amount equal to the lesser of (a) the Principal Amortisation Amount and (b) the then Principal Amount Outstanding of the Class A Notes.

"**Class B Noteholders**" means the holders of the Class B Notes.

"**Class B Notes**" means the class B notes issued by the Issuer on the Closing Date with a total principal amount of £38,000,000 ranking junior to the Class A Notes and senior to the Class C Notes and Class D Notes with respect to the payment of interest and principal respectively.

"**Class B Notes Interest Amount**" has the meaning given to it by Condition 6.6 (*Interest - Interest Rates on the Notes*).

"**Class B Notes Interest Rate**" means 5.5 per cent per annum.

"**Class B Note Trigger**" will have been breached on any Payment Date occurring before the Class A Notes have been repaid in full if either:

- a) the Cumulative Net Default Ratio, as at the immediately preceding Calculation Date, expressed as a percentage, is, or on any previous Calculation Date, has been, equal to or higher than 15 per cent.; or
- b) the Delinquency Ratio, as at the immediately preceding Calculation Date, expressed as a percentage is equal to or higher than 15 per cent.

"**Class B Principal Payment Amount**" means, as at each Calculation Date, an amount equal to the lesser of (a) the Principal Amortisation Amount less (x) any Class A Principal Payment Amounts to be paid on the

immediately following Payment Date and (y) any amount payable under item (xii) of the Pre-Enforcement Order of Priority and (b) the then Principal Amount Outstanding of the Class B Notes.

"**Class C Noteholders**" means the holders of the Class C Notes.

"**Class C Note Purchase Agreement**" means the note purchase agreement with respect to the Class C Notes entered into between the Issuer and the Class C Note Purchaser.

"**Class C Note Purchaser**" means FirstRand International Limited.

"**Class C Notes**" means the class C notes issued by the Issuer on the Closing Date with a total principal amount of £21,617,000 ranking junior to the Class A Notes and Class B Notes and senior to the Class D Notes with respect to the payment of interest and principal respectively.

"**Class C Notes Interest Amount**" has the meaning given to it by Condition 6.6 (*Interest - Interest Rates on the Notes*).

"**Class C Notes Interest Rate**" means 15 per cent. per annum.

"**Class C Note Trigger**" will have been breached on any Payment Date occurring before the Class B Notes have been repaid in full if either:

- a) the Cumulative Net Default Ratio, as at the immediately preceding Calculation Date, expressed as a percentage, is or, on any previous Calculation Date, has been, equal to or higher than 5 per cent.; or
- b) the Delinquency Ratio, as at the immediately preceding Calculation Date, expressed as a percentage is equal to or higher than 5 per cent.

"**Class C Principal Payment Amount**" means, as at each Calculation Date, an amount equal to the lesser of (a) the Principal Amortisation Amount less (x) any Class A Principal Payment Amounts and Class B Principal Payment Amounts to be paid on the immediately following Payment Date and (y) any amounts payable under items (xii) and (xiv) of the Pre-Enforcement Order of Priority and (b) the then Principal Amount Outstanding of the Class C Notes.

"**Class D Noteholders**" means the holders of the Class D Notes.

"**Class D Note Purchase Agreement**" means the note purchase agreement with respect to the Class D Notes entered into between the Issuer and the Class D Note Purchaser.

"**Class D Note Purchaser**" means FirstRand International Limited.

"**Class D Notes**" means the class D notes issued by the Issuer on the Closing Date with a total principal amount of £5,130,000 ranking junior to the Class A Notes, the Class B Notes and the Class C Notes with respect to the payment of interest and principal respectively.

"**Class D Notes Interest Amount**" has the meaning given to it by Condition 6.6 (*Interest - Interest Rates on the Notes*).

"**Class D Notes Interest Rate**" means 20 per cent. per annum.

"**Clean-Up Call**" means the option of the Issuer to sell the Purchased Receivables for the Clean-Up Call Settlement Amount at any time after the Aggregate Principal Balance is less than 10 per cent. of the Aggregate Cut-Off Date Principal Balance provided that the conditions set out in Condition 7.3 (*Redemption and Cancellation - Optional Redemption in Whole*) for redemption of the Notes are satisfied.

"**Clean-Up Call Settlement Amount**" means an amount equal to the Principal Balance of all Purchased Receivables which would have become due if the Clean-Up Call had not occurred, calculated using the Financing Contract Rate on the basis of one year of 360 days being equivalent to 12 months, each month consisting of 30 days and taking into account the risk of losses, if any, in order to reach a fair market value.

"**Clearstream, Luxembourg**" means the Clearstream, Luxembourg clearance system for internationally traded securities operated by Clearstream Banking, *société anonyme*, and any successor thereto.

"**Closing Date**" means 29 March 2012.

"**Collection Accounts**" means such accounts held at Lloyds TSB Bank plc in the name of the Servicer for the deposit of Collections.

"**Collection Accounts Declaration of Trust**" means the trust over the Collection Accounts made by the Seller in favour of the Issuer over monies standing to the credit of the Collection Accounts which are attributable to Collections relating to Purchased Receivables.

**"Collections"** means (i) all cash collections received by the Servicer in respect of Purchased Receivables including, without limitation, excess mileage charges, any amounts payable by an Obligor in respect of refurbishment charges, wear-and-tear and other similar types of charges, charges payable as a result of a late payment under a Financing Contract, fees for any extension of the term of a Financing Contract, any other administrative fees payable under a Financing Contract including any capitalised fees and capitalised interest, Enforcement Proceeds, Insurance Proceeds and the VAT Component on payments received by the Servicer and (ii) Repurchase Amounts and any other amounts payable to the Issuer on the purchase of Receivables pursuant to the Clean-Up Call and any payment received by the Issuer pursuant to Clause 10 of the Receivables Purchase Agreement.

**"Common Safekeeper"** means BNP Paribas Securities Services, Luxembourg Branch.

**"Conditions"** means the terms and conditions to be endorsed on the Notes in, or substantially in, the form set out in this Prospectus and the Trust Deed as any of the same may from time to time be modified in accordance with the Trust Deed.

**"Corporate Services Agreement"** means the corporate services agreement entered into by the Issuer, the Trustee and the Corporate Services Provider on or about the Signing Date.

**"Corporate Services Provider"** means Structured Finance Management Limited.

**"Couponholders"** means the holders for the time being of the Coupons appertaining to the Notes.

**"Coupons"** means the coupons appertaining to the Notes.

**"Cumulative Net Default Ratio"** means, on any Calculation Date, the ratio, expressed as a percentage (rounded downwards to two decimal places) of:

- (a) the Principal Loss as at the end of the Monthly Period immediately preceding such Calculation Date;  
to
- (b) the Aggregate Cut-Off Date Principal Balance.

**"Cut-Off Date"** means 29 February 2012.

**"Cut-Off Pool"** means all of the Receivables comprising the pool of Receivables, as of the Cut-Off Date.

**"Deed of Charge"** means the deed of charge dated on or about the Closing Date and entered into by, *inter alios*, the Issuer and the Trustee and includes any further or supplemental deed or charge or security granted pursuant thereto.

**"Defaulted Receivable"** means any Purchased Receivable in respect of which (a) recovery proceedings have been commenced by the Servicer and/or (b) the relevant Obligor has missed more than three consecutive scheduled monthly payments.

**"Deferred Purchase Price"** means any amount of deferred purchase price payable to the Seller pursuant to Clause 4 of the Receivables Purchase Agreement.

**"Definitive Notes"** means the Notes issued in definitive bearer form.

**"Delinquency Ratio"** means, on any Calculation Date, the ratio, expressed as a percentage (rounded downwards to two decimal places) of:

- (a) the aggregate Principal Balance of each Delinquent Receivable as at the end of the Monthly Period immediately preceding such Calculation Date;  
to
- (b) the Performing Principal Outstanding Amount of the Loans as calculated on such Calculation Date.

**"Delinquent Receivable"** means any Purchased Receivable which (a) is more than 30 days overdue for an amount greater than £70.00 and (b) is not a Defaulted Receivable.

**"Enforcement Event"** means any of the following events:

- (a) *Non-payment*: the Issuer fails to pay any amount of principal or interest (other than (i) any interest which falls to be deferred pursuant to Condition 6.3 (*Interest - Payment Dates and Interest Periods*)) in respect of the Notes (excluding the Most Senior Class Outstanding), or (ii) any principal which falls to be deferred pursuant to Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*), within two Business Days after the due date for payment thereof; or

- (b) *Breach of other obligations*: the Issuer defaults in the performance or observance of any other obligation, condition, provision, representation or warranty binding upon or made by it under or in respect of the Notes, the Conditions or any Transaction Document (other than any obligation whose breach would give rise to the Enforcement Event provided for in Condition 10.1(a) (*Enforcement Events*) and such default (A) is, in the opinion of the Trustee, incapable of remedy or (B) is, in the opinion of the Trustee, capable of remedy but remains unremedied for 30 days or such longer period as the Trustee may agree after the Trustee has given written notice thereof to the Issuer; or
- (c) *Insolvency*: an Insolvency Event occurs with respect to the Issuer; or
- (d) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes, the Conditions, the Trust Deed or any other Transaction Document,

provided that in the case of the occurrence of any of the events mentioned in paragraph (b) above, the Trustee shall have certified in writing that the happening of such event is in its opinion materially prejudicial to the interests of the Most Senior Class Outstanding.

"**Enforcement Notice**" means a notice given by the Trustee to the Issuer following the occurrence of an Enforcement Event declaring the Notes immediately due and payable.

"**Enforcement Proceeds**" means the gross proceeds from the realisation of Financed Objects in respect of Purchased Receivables and from the enforcement of any other Ancillary Rights.

"**Euroclear**" means Euroclear Bank S.A./N.V. and any successor thereto.

"**Expected Amortisation Amount**" means, as calculated on each Calculation Date, the difference, if positive, between the aggregate Principal Amount Outstanding of all Notes as at that Calculation Date and the aggregate of (a) the Performing Principal Outstanding Amount of the Loans as calculated on the relevant Calculation Date and (b) the Specified Cash Reserve Account Required Balance applicable to the immediately following Payment Date.

"**Extraordinary Resolution**" means either a resolution (i) passed at a meeting of the relevant class of Noteholders duly convened and held in accordance with the provisions contained in the Trust Deed by a majority consisting of not less than 75 per cent. of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than 75 per cent. of the votes given on such poll or (ii) in writing in accordance with the provisions of paragraph 22 of schedule 5 to the Trust Deed.

"**Final Discharge Date**" means the date on which the Trustee is satisfied that all the Secured Obligations have been paid or discharged in full.

"**Final Maturity Date**" means the Payment Date falling in February 2019.

"**Financed Objects**" means the motor vehicles referred to in the Financing Contracts and financed pursuant thereto.

"**Financial Statements**" means the published financial statements of the Issuer.

"**Financing Contract**" means each hire purchase agreement entered into between an Obligor and FRB London in the form of standard business terms or otherwise pursuant to which FRB London has provided finance to an Obligor where the final payment due by the Obligor under such contract is not substantially greater than the previous payments due thereunder.

"**Financing Contract Rate**" means, for each Purchased Receivable, the rate set out in the relevant Financing Contract for the Purchased Receivable.

"**FRB London**" means FirstRand Bank Limited acting through its London Branch.

"**Global Note**" means each of the Temporary Global Note and the Permanent Global Note.

"**ICSDs**" means International Central Securities Depositories, being each of Euroclear and Clearstream, Luxembourg.

"**Insolvency Act**" means the Insolvency Act 1986.

"**Insolvency Event**", in respect of a company, means:

- (a) such company is or becomes or is declared to be insolvent or unable to pay its debts or suspends or threatens to suspend making payments (whether of principal or interest) with respect to all or any class of its debts;



- (b) the value of the assets of such company is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;
- (c) a moratorium is declared in respect of any indebtedness of such company;
- (d) the commencement of negotiations with one or more creditors of such company with a view to a general readjustment, rescheduling or deferral of any indebtedness of such company or proposal to commence such negotiations;
- (e) any corporate action, legal proceedings or other procedure or step is taken (whether out of court or otherwise) in relation to:
  - (i) the liquidation, administration, custodian/guardianship, winding-up or dissolution (and, in each case, whether provisional or final) of such company or its estate, or the authorisation of the commencement of business rescue proceedings in respect of such company;
  - (ii) the appointment of an Insolvency Official (excluding, in the case of the Issuer, the Trustee) in relation to the Issuer or in relation to the whole or any part of the undertaking of the company or the relevant company requests the appointment of such Insolvency Official;
  - (iii) an encumbrancer (excluding, in the case of the Issuer, the Trustee) taking possession of the whole or any part of the undertaking or assets of such company;
  - (iv) the making of an arrangement, composition or compromise (whether by way of voluntary arrangement, scheme of arrangement or otherwise) with any creditors (or any class of creditors) of such company, a reorganisation of such company, a conveyance to or assignment for the benefit of creditors of such company (or any class of creditors) or the making of an application to a court of competent jurisdiction for protection from the creditors or such company (or any class of creditors);
  - (v) any act which, if such act was committed by an individual, would be any act of insolvency under the applicable insolvency legislation of the relevant jurisdiction to which such company is subject; and
  - (vi) any analogous procedure or step is taken in any jurisdiction; or
- (f) any distress, execution, diligence, attachment or other process being levied or enforced or imposed upon or against the whole or any material part of the undertakings or assets of such company (excluding in the case of the Issuer, by the Trustee) and such order, appointment, possession or process (as the case may be) not being discharged or otherwise ceasing to apply within 30 days.

**"Insolvency Official"** means, in respect of any company, a liquidator, provisional liquidator, administrator (whether appointed by the court or otherwise), administrative receiver, receiver or manager, nominee, supervisor, trustee in bankruptcy, conservator, guardian, business rescue practitioner, the Viscount or other similar official in respect of such company or in respect of all (or substantially all) of the company's assets or in respect of any arrangement or composition with creditors or any equivalent or analogous officer under the law of any jurisdiction.

**"Insurance Claims"** means any claims against any car insurer in relation to any damaged or stolen Financed Object and any claims made under any GAP or PPI insurance contracts entered into by the Obligors in connection with the Financing Contracts.

**"Insurance Proceeds"** means any proceeds or monetary benefit in respect of any Insurance Claims.

**"Interest Amount"** has the meaning set out in Condition 6.6 (*Interest - Interest Rates on the Notes*).

**"Interest Period"** means:

- a) in respect of the first Payment Date, the period commencing on (and including) the Closing Date and ending on (but excluding) the Payment Date falling on 21 May 2012; and
- b) in respect of any subsequent Payment Date, the period commencing on (and including) the preceding Payment Date and ending on the calendar day preceding (but excluding) the relevant Payment Date.

**"Interest Shortfall"** means the Accrued Interest that is not paid on a Note on the Payment Date related to the relevant Interest Period in which it accrued.

**"Investor Report"** means the report so named to be prepared by the Cash Manager setting out details of, amongst other things, payments on the Purchased Receivables and the Notes.

"**Issuer**" means TURBO FINANCE 2 PLC.

"**Issuer Account**" means the account held in the name of the Issuer with the Account Bank, IBAN: GB 55 BNPA 2346 3582 2330 10.

"**Issuer Covenants**" means the covenants of the Issuer as set out in Schedule 5 of the Master Framework Agreement.

"**Issuer-ICSDs Agreement**" means the agreement dated on about the Closing Date between the Issuer and the ICSDs.

"**Issuer Retained Profit**" means an amount of £750 per annum. retained by the Issuer in accordance with the Priority of Payments.

"**Issuer Security**" means the security created over the assets of the Issuer in favour of the Trustee pursuant to the provisions of the Deed of Charge and the Assignment in Security.

"**Joint Lead Managers**" means BNP Paribas, London Branch, UBS Limited and FRB London.

"**LIBOR**" means the London Interbank Offered Rate.

"**LIBOR Determination Date**" means, in respect of the first Interest Period, the Closing Date and, in respect of each subsequent Interest Period, the Payment Date on which the relevant Interest Period commences.

"**LIBOR Screen Rate**" means the display designated as the British Bankers' Association's Interest Settlement Rate as quoted on page LIBOR01 of the Reuters screen service.

"**Listing Agent**" means BNP Paribas Securities Services, Luxembourg Branch.

"**Master Framework Agreement**" means the master framework agreement entered into between the Issuer and the Trustee and dated on or about the Closing Date.

"**Month-end Aggregate Defaulted Receivables**" means, as calculated on each Calculation Date, the Aggregate Principal Balance of all Purchased Receivables that (i) have become Defaulted Receivables since the Cut-Off Date and (ii) remain Defaulted Receivables as at the end of the Monthly Period immediately preceding the relevant Calculation Date.

"**Monthly Period**" means the calendar month immediately prior to each Payment Date.

"**Most Senior Class Outstanding**" means the Class A Notes while they remain outstanding and thereafter the Class B Notes while they remain outstanding and thereafter the Class C Notes while they remain outstanding and thereafter the Class D Notes while they remain outstanding.

"**Net Swap Payments**" means for the Swap Agreement, the net amounts with respect to regularly scheduled payments owed by the Issuer to the Swap Counterparty, if any, on any Payment Date, including any interest accrued thereon, under the Swap Agreement, excluding Swap Termination Payments and any other amounts payable to the Swap Counterparty under the Swap Agreement.

"**Net Swap Receipts**" means the net amount received from the Swap Counterparty by the Issuer in relation to the Swap Agreement, excluding (i) any Swap Termination Payments and (ii) until the termination of the Swap Agreement, any amounts posted as collateral by the Swap Counterparty (excluding, for the avoidance of doubt, any amounts of collateral to be returned to the Swap Counterparty on the termination of the Swap Agreement in accordance with the terms of such Swap Agreement).

"**Non-Conforming Receivable**" means each Purchased Receivable in respect of which any representation or warranty set out in Schedule 3 to the Receivables Purchase Agreement proves to have been incorrect in accordance with Clause 9.1(c) of the Receivables Purchase Agreement and has not been remedied by the Seller pursuant to the terms of Clause 9.1(c) of the Receivables Purchase Agreement.

"**Noteholders**" means the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders.

"**Note Principal Payment**" has the meaning given to it by Condition 7.6 (*Redemption and Cancellation - Note Principal Payment*).

"**Notes**" means the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes collectively.

"**Obligor**" means, in respect of a Receivable, a Person (including consumers and businesses) obliged to make payments under a Financing Contract.

**"Paying Agency Agreement"** means the paying agency agreement entered into by the Issuer, the Trustee and the Agents on or about the Closing Date.

**"Paying Agent"** means BNP Paribas Securities Services, Luxembourg Branch.

**"Payment Date"** means, in respect of the first such Payment Date, 21 May 2012, and in respect of any subsequent Payment Date, the 20<sup>th</sup> of each calendar month, or, in the event such day is not a Business Day, then on the next following Business Day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day.

**"Performance Criteria"** to be satisfied on each Calculation Date are as follows:

- (a) on such Calculation Date, the amount standing to the credit of the Cash Reserve Account after the Available Distribution Amount was applied pursuant to the Pre-Enforcement Order of Priority on the immediately preceding Payment Date is equivalent to the Specified Cash Reserve Account Required Balance applicable to that immediately preceding Payment Date;
- (b) on such Calculation Date, the Cumulative Net Default Ratio is less than 5.00 per cent.; and
- (c) on such Calculation Date, the Delinquency Ratio is less than 5.00 per cent.

**"Performing Principal Outstanding Amount of the Loans"** means, as calculated on each Calculation Date, the Aggregate Principal Balance of all Purchased Receivables less the Month-end Aggregate Defaulted Receivables, in each case as at the end of the Monthly Period immediately preceding the relevant Calculation Date.

**"Permanent Global Note"** means in respect of each Class of Notes the permanent global bearer notes without Coupons attached representing each such Class as more specifically described in Condition 2 (*Form, Denomination and Title*).

**"Permitted Investments"** means any amount standing to the credit of the Issuer Account and the Cash Reserve Account invested by the Cash Manager (acting on the instructions of the Servicer on behalf of the Issuer), provided that:

- (a) in the opinion of the Servicer, the rate of interest earned on such investments is likely to exceed the rate of interest paid on the relevant account; and
- (b) the Permitted Investments have a maturity date of 30 days or less and mature on or before the Calculation Date immediately succeeding the date on which the investments are made; and
- (c) the investments are sterling gilt-edged securities or sterling demand or time deposits, certificates of deposit or short-term debt obligations (including commercial paper); and
- (d)
  - (i) only prior to the redemption in full of the Class A Notes, the relevant investments are rated at least (a) in the case of investments where the residual maturity is up to 30 calendar days, A or F1 by Fitch, (b) in the case of investments where the residual maturity of the relevant investments is from 31 to 365 calendar days, AA- or F1+ by Fitch or (c) in the case of investments where the residual maturity exceeds 365 calendar days or if Fitch's rating of the Class A Notes is lower than AA-sf, a rating commensurate with the then current rating of the Class A Notes, provided that where Fitch has placed the rating of an investment of 'Rating Watch Negative', the rating of the investment shall be considered to have been lowered by one notch; or
  - (ii) only prior to the redemption in full of the Class A Notes, the relevant investments are rated at least P-1 by Moody's; and
- (e) the Permitted Investments may only be made in securities eligible in the ICSDs and held by the Cash Manager as custodian.

**"Person"** means an individual, partnership, corporation (including a business trust), unincorporated association, trust, joint stock company, limited liability company, joint venture or other entity, or a government or political subdivision, agency or instrumentality thereof.

**"Post-Enforcement Order of Priority"** means the priority of payments described in Condition 11.3 (*Enforcement - Post-Enforcement Order of Priority*) of the Conditions.

**"Pre-Enforcement Order of Priority"** means the priority of payments described in Condition 8.8 (*Payments - Pre-Enforcement Order of Priority*) of the Conditions.

**"Principal Amortisation Amount"** means the lower of:

- a) the Available Distribution Amount as at the Calculation Date immediately preceding the relevant Payment Date less, to the extent the Pre-Enforcement Order of Priority applies, all amounts falling due and payable under items (i) to (x) as the case may be of the Pre-Enforcement Order of Priority on such Payment Date; and
- b) the greater of (i) zero and (ii) the Expected Amortisation Amount.

**"Principal Amount"** means, in relation to the Notes of the relevant class, the original principal amount of the Notes of such class on issuance.

**"Principal Amount Outstanding"** means, in relation to the Notes of the relevant class, the Principal Amount less the aggregate of any principal repayments in respect of the Notes of such class made in accordance with the Conditions.

**"Principal Balance"** in respect of a Purchased Receivable (or any other Receivable, as the context may require), as at a relevant date, means the principal amount outstanding (excluding, for the avoidance of doubt, any capitalised fees and/or capitalised interest) of that Purchased Receivable (or any other Receivable, as the case may be) as at the Cut-Off Date less the aggregate principal repayments or reductions, as applicable, in respect of that Purchased Receivable (or any other Receivable, as the case may be) already made as at such relevant date (since the Cut-Off Date) including by way of (i) payments by or on behalf of the relevant Obligor(s), (ii) application of the proceeds from the sale of the relevant motor vehicle and/or (iii) a write-off in respect of the relevant Financing Contract.

**"Principal Loss"** means, as at a relevant date:

- a) the aggregate of:
  - (i) the Principal Balance of each Purchased Receivable that has become a Defaulted Receivable (as determined at the point at which such Purchased Receivable became a Defaulted Receivable); and
  - (ii) the portion remaining unpaid by an Obligor of the Principal Balance of each Purchased Receivable where a Voluntary Termination has been exercised (as determined at the point at which such Voluntary Termination is exercised),

in each case, since the Cut-Off Date, less

- b) any amounts received as a result of recovery procedures carried out by the Servicer in relation to Defaulted Receivables and Voluntary Terminations for the same period.

**"Priority of Payments"** means the Pre-Enforcement Order of Priority and the Post-Enforcement Order of Priority.

**"Prospectus"** means the prospectus prepared in connection with the issue by the Issuer of the Notes.

**"Provisional Payments Report"** means the payment report prepared by the Cash Manager pursuant to Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*).

**"Purchase Date"** means the Closing Date.

**"Purchased Receivables"** means, on any date, the Receivables comprising the Cut-Off Pool purchased by the Issuer from the Seller on the Purchase Date in accordance with the Receivables Purchase Agreement excluding each such Receivable which (a) has, as of the relevant date, been re-purchased by the Seller pursuant to clause 8 of the Receivables Purchase Agreement or (b) has never existed and for which the Seller has paid to the Issuer as of the relevant date an amount equal to the deemed amount of the Principal Balance of such non-existent Receivable pursuant to clause 9 of the Receivables Purchase Agreement.

**"Rating Agencies"** means Fitch and Moody's.

**"Receivables"** means any amount which is due under a Financing Contract owed to the Seller by an Obligor including, for the avoidance of doubt but without limitation, the Ancillary Rights relating to such Receivable.

**"Receivables Purchase Agreement"** means the document entitled "Receivables Purchase Agreement" and entered into between the Issuer, the Seller and the Trustee dated on or about the Closing Date.

**"Receiver"** or **"receiver"** means any receiver or administrative receiver who (in the case of an administrative receiver) is a qualified person in accordance with the Insolvency Act and who is appointed by the Trustee under the Deed of Charge in respect of the Issuer Security and includes more than one such receiver and any substituted receiver.

**"Reference Banks"** means (i) the banks named as such in Condition 6.4 (*Interest - Interest Rates on the Notes*), or (ii) such other banks as may (with the prior written approval of the Trustee) from time to time be appointed as such by the Issuer in accordance with the Conditions.

**"Relevant Date"** means, in respect of any Notes, the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after the date on which notice is duly given to the Noteholders in accordance with Condition 17 (*Notices to Noteholders*) that, upon further presentation of the Notes being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

**"Repurchase Amount"** means the amount payable by the Seller to the Issuer pursuant to the Receivables Purchase Agreement in relation to Non-Conforming Receivables which amount shall be the Principal Balance of the relevant Receivables together with any interest that has accrued as of the relevant Repurchase Date.

**"Repurchase Date"** means any date on which Receivables are repurchased by the Seller following a Repurchase Event.

**"Repurchase Event"** means the retransfer of a Non-Conforming Receivable pursuant to the terms of the Receivables Purchase Agreement.

**"Scottish Declaration of Trust"** means the declaration of trust to be granted by the Seller in favour of the Issuer pursuant to Clause 3.4 of the Receivables Purchase Agreement.

**"Secured Obligations"** means all duties and liabilities of the Issuer which the Issuer has covenanted with the Trustee to pay to the Noteholders, the Couponholders and the other Transaction Creditors pursuant to Clause 2 of the Deed of Charge.

**"Seller"** means FRB London.

**"Senior Notes"** means the Class A Notes and the Class B Notes and each a **"Senior Note"**.

**"Servicer"** means FRB London unless the engagement of FRB London as servicer of the Issuer is terminated in which case Servicer shall mean the replacement Servicer (if any).

**"Servicer Downgrade Event"** means the downgrading of the short-term rating of the Servicer by Fitch below F2.

**"Servicer Fee"** means:

- (a) in the case of the Servicer Fee to be paid on the first Payment Date falling on 21 May 2012, an amount equal to 0.1 per cent. of the Aggregate Cut-Off Date Principal Balance divided by 365 and multiplied by 53 (being the number of calendar days between the Closing Date and the first Payment Date falling on 21 May 2012); and
- (b) for each subsequent Monthly Period, one-twelfth of the Servicer Fee Rate multiplied by the Aggregate Principal Balance as of the beginning of the preceding Monthly Period.

**"Servicer Fee Rate"** means 0.1 per cent. per annum.

**"Servicing Agreement"** means the servicing agreement between the Servicer, the Issuer, the Seller, the Cash Manager and the Trustee dated on or about the Closing Date.

**"Servicing Report"** shall have the meaning ascribed to such term in the Master Framework Agreement.

**"Servicing Report Delivery Failure"** will occur in the event that the Cash Manager does not receive, or there is a delay in the receipt of, some or all the information necessary for it to prepare the Investor Report in respect of any Calculation Date.

**"Servicing Report Performance Date"** means 10 May 2012, and, in respect of each subsequent calendar month, the 10<sup>th</sup> day of each calendar month or if this is not a Business Day, the next succeeding Business Day.

**"Signing Date"** means 28 March 2012.

**"Specified Cash Reserve Account Required Balance"** means an amount determined on a Calculation Date, being equal to either:

- a) on each Calculation Date prior to the earlier of (x) the redemption in full of the Senior Notes or (y) the Payment Date on which the Principal Amount Outstanding of the Senior Notes becomes equal to or less than the balance standing to the credit of the Cash Reserve Account immediately prior to such Payment Date:
  - (i) in the event all Performance Criteria are satisfied as at the immediately preceding Calculation Date, the greater of:
    - either:
      - x) prior to the occurrence of a Servicer Downgrade Event, 1.63 per cent. of the Aggregate Principal Balance as at the end of the immediately preceding Monthly Period; or
      - y) following the occurrence of a Servicer Downgrade Event, 3 per cent. of the Aggregate Principal Balance as at the end of the immediately preceding Monthly Period; and
    - 0.5 per cent. of the Aggregate Cut-Off Date Principal Balance; or
  - (ii) in the event any Performance Criteria is not satisfied as at the immediately preceding Calculation Date, an amount equivalent to the Specified Cash Reserve Account Required Balance applicable to the immediately preceding Payment Date; or
- b) on each Calculation Date following the earlier of (x) the redemption in full of the Senior Notes or (y) the Payment Date on which the Principal Amount Outstanding of the Senior Notes becomes equal to or less than the balance standing to the credit of the Cash Reserve Account immediately prior to such Payment Date, zero.

**"Sterling"**, **"sterling"**, **"Pounds Sterling"** and **"£"** denote the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland.

**"Subordinated Termination Payment"** means the excess of (i) any termination payment due and payable by the Issuer to the Swap Counterparty under the Swap Agreement as a result of the occurrence of any Event of Default or Additional Termination Event other than a Tax Event or Illegality (in each case as defined in the Swap Agreement) where the Swap Counterparty is the Defaulting Party or the Affected Party (as applicable and in each case as defined in the Swap Agreement) over (ii) any amounts paid by any replacement Swap Counterparty in relation to such Event of Default or Additional Termination Event.

**"Subscription Agreement"** means the subscription agreement between the Issuer, the Seller, the Originator and the Joint Lead Managers dated on or about the Signing Date.

**"Swap Agreement"** means the class A interest rate swap agreement between the Issuer and the Swap Counterparty pursuant to the 1992 ISDA Master Agreement (Multicurrency - Cross Border), the associated schedule and the credit support annex and a confirmation dated on or about the Closing Date.

**"Swap Agreement Credit Support Document"** means the credit support annex to the Swap Agreement in the form of the ISDA 1995 Credit Support Annex (Transfer-English Law) to the ISDA Master Agreement.

**"Swap Collateral"** means collateral posted in accordance with the Swap Agreement Credit Support Document.

**"Swap Collateral Cash Account"** means the account in the name of the Issuer, IBAN: GB 97 BNPA 2346 3582 2330 30, opened by the Issuer at the Account Bank into which cash amounts of Swap Collateral are transferred pursuant to the terms of the Swap Agreement Credit Support Document.

**"Swap Collateral Custody Account"** means an account in the name of the Issuer opened by the Issuer and located in England and Wales, into which securities are transferred pursuant to the terms of the Swap Agreement Credit Support Document.

**"Swap Counterparty"** means BNP Paribas acting in its capacity as interest rate swap counterparty pursuant to the Swap Agreement.

**"Swap Termination Payment"** means a payment due to the Swap Counterparty by the Issuer or a payment due to the Issuer by the Swap Counterparty, including interest that may accrue thereon, under the Swap Agreement as a result of the termination of the Swap Agreement due to the occurrence of an "event of default" or "termination event" under the Swap Agreement. For the avoidance of doubt, any such payment shall include any

amount due to the Swap Counterparty under the Swap Agreement where the Swap Counterparty is the Defaulting Party or the Affected Party but shall exclude any Subordinated Termination Payment.

"**TARGET2**" means the Trans-European Automated Real-time Gross settlement Express Transfer system.

"**TARGET2 Day**" means any day on which TARGET2 is open.

"**Tax Authority**" means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world, including H.M. Revenue & Customs (and any successor thereto).

"**Taxes**" means any present or future taxes, levies, duties, charges, fees, deductions or withholdings of any nature whatsoever (and whatever called) imposed, assessed or levied by any competent fiscal authority having power to tax, and shall include any interest or penalties which may attach as a consequence of failure to pay on the due date and/or non-payment, and "**Tax**", "**Taxation**", "**taxes**", "**tax**" and similar words shall be construed accordingly.

"**Temporary Global Note**" means in respect of each Class of Notes the temporary global bearer note without Coupons or talons attached as more specifically described in Condition 2 (*Form, Denomination and Title*).

"**Transaction Creditors**" means the Noteholders, the Couponholders, the Trustee, any Receiver, the Paying Agent, the Agent Bank, the Account Bank, the Cash Manager, the Corporate Services Provider, the Servicer, the Back-up Servicer, the Swap Counterparty and any other Person expressed from time to time to be a Transaction Creditor.

"**Transaction Documents**" means the Trust Deed, the Deed of Charge, the Subscription Agreement, the Paying Agency Agreement, the Cash Management Agreement, the Account Agreement, the Swap Agreement, the Receivables Purchase Agreement, the Servicing Agreement, the Back-up Servicing Agreement, the Corporate Services Agreement, the Assignment in Security and the Scottish Declaration of Trust, the Collection Accounts Declaration of Trust, the Class C Note Purchase Agreement, the Class D Note Purchase Agreement, the Master Framework Agreement and the Issuer-ICSDs Agreement.

"**Transaction Parties**" means the Issuer, the Joint Lead Managers, the Seller, the Servicer, the Corporate Services Provider, the Cash Manager, the Back-up Servicer, the Account Bank, the Trustee, the Paying Agent, the Class C Note Purchaser, the Class D Note Purchaser, the Common Safekeeper, the Agent Bank, the Swap Counterparty and any other party to a Transaction Document and "**Transaction Party**" means any of them.

"**Trust Deed**" means the Trust Deed dated on or about the Closing Date and entered into by the Issuer and the Trustee.

"**Trustee**" means BNP Paribas Trust Corporation UK Limited.

"**UK**" or "**the United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland.

"**United States**" means, for the purpose of issue of the Notes and the Transaction Documents, 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, America Samoa, Wake Island and the Northern Mariana Islands).

"**Value Added Tax**" and "**VAT**" mean:

- (a) in the United Kingdom, value added tax as provided for in the Value Added Tax Act 1994 ("**VATA**") (as amended or re-enacted in each case from time to time) and legislation supplemental thereto;
- (b) in another EU Member State (as defined in section 96 VATA), the tax levied in any such EU Member State pursuant to the Council Directive of 28 November 2006 on the harmonisation of the laws of the EU Member States relating to turnover taxes - common system of value added tax: uniform basis of assessment - Directive 2006/112/EC; and
- (c) outside the United Kingdom and another such EU Member State, any tax of a similar nature to value added tax (including, without limitation, sales tax),

in each case, at the rate in force when the relevant supply is made, and includes any tax of a similar nature substituted for, or levied in addition to, such tax.

"**VAT Adjustment Amount**" means an amount to be paid by the Servicer to the Issuer pursuant to the Servicing Agreement, being an amount equal to the reduction in the amount of VAT payable (either by way of Regulation 38 of the Value Added Tax Regulations 1995 or by way of bad debt relief under s36 VATA) to HM Revenue & Customs by the Seller in respect of Financed Objects following the early redemption, termination or

enforcement of the relevant Financing Contracts, net of any additional VAT payable to HM Revenue & Customs by the Seller in respect of any subsequent disposal of Financed Objects.

"**VAT Component**" means the amount of each payment made in respect of a Receivable which represents payment in respect of the VAT charged on the original sale of the Financed Object to which the Receivable relates.

"**Voluntary Termination**" means the termination of a Regulated Financing Contract by the relevant Obligor pursuant to section 99 of the CCA at any time before the last payment thereunder falls due.

## **2. FORM, DENOMINATION AND TITLE**

- 2.1 The issue of the Class A Notes is in an aggregate principal amount of £255,000,000, the issue of the Class B Notes is in an aggregate principal amount of £38,000,000, the issue of the Class C Notes is an aggregate principal amount of £21,617,000 and the issue of the Class D Notes is an aggregate principal amount of £5,130,000 (each a "**Principal Amount**").
- 2.2 The Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will initially each be represented by a temporary global note in bearer form (a "**Temporary Global Note**") without Coupons or receipts attached. The Temporary Global Note for each class of Notes will be exchangeable for Notes represented by a permanent global note in bearer form (a "**Permanent Global Note**") without Coupons or receipts attached. The Temporary Global Note and the Permanent Global Note for each class of Notes shall together be referred to as the "**Global Note**". The Temporary Global Notes and the Permanent Global Notes shall be kept with a common safekeeper (the "**Common Safekeeper**") for Clearstream, Luxembourg and Euroclear on the Closing Date. Upon deposit of the Temporary Global Notes, Clearstream, Luxembourg or Euroclear (as the case may be) will credit each subscriber of each of the Notes with the principal amount of Notes equal to the aggregate principal amount thereof for which it had subscribed and paid. The Temporary Global Notes and the Permanent Global Notes bear the signature of a director of the Issuer and will be authenticated by an authorised signatory of BNP Paribas Securities Services, Luxembourg Branch as the Paying Agent.
- 2.3 Interests in each Temporary Global Note are exchangeable 40 days after the Closing Date provided certification of non-U.S. beneficial ownership by the relevant Noteholders has been received for interests in a Permanent Global Note (which will also be kept with the Common Safekeeper) representing the Notes, without Coupons or receipts attached. On exchange of a Temporary Global Note for a Permanent Global Note, the Permanent Global Note will remain kept with the Common Safekeeper. The Permanent Global Notes will only be exchangeable for Definitive Notes in certain limited circumstances described below.
- 2.4 The interests in the Notes are transferable in accordance with the rules and procedures for the time being of Clearstream, Luxembourg and Euroclear, as appropriate.
- 2.5 If, while any of the Notes are represented by a Permanent Global Note, (i) either Clearstream, Luxembourg or Euroclear is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no other clearing system acceptable to the Trustee is then in existence; or (ii) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political sub-division thereof) or of any United Kingdom Tax Authority or in the interpretation or administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will on the next Payment Date be required to make any deduction or withholding for or on account of Tax from any payment in respect of the Notes which would not be required were such Notes in definitive form, then the Issuer will issue Definitive Notes in respect of the Notes in exchange for the whole outstanding interest in each Permanent Global Note at the request of the bearer of the Permanent Global Note against presentation and surrender of the Permanent Global Note to the Paying Agent.
- 2.6 Definitive Notes (which, if issued, will be issued in minimum denominations of £100,000 and higher multiple integrals of £1,000) will be serially numbered and will be issued in bearer form with Coupons, receipts for payments of principal and talons for other coupons and receipts attached. Title to the Definitive Notes, Coupons and receipts shall pass by delivery.
- 2.7 The holder of any Note, Coupon or receipt shall (to the fullest extent permitted by applicable laws) be deemed and treated at all times, by all persons and for all purposes (including the making of any



payments), as the absolute owner of such Note, Coupon or receipt, as the case may be, regardless of any notice of ownership, theft or loss, of any trust or other interest therein or of any writing thereon.

### 3. STATUS AND RANKING OF THE NOTES

- 3.1 The Notes and the Coupons constitute limited recourse, direct, unconditional, unsubordinated and secured obligations of the Issuer. In respect of payments of interest or principal respectively, the Class A Notes rank *pari passu* without preference or priority amongst themselves and, following the delivery of an Enforcement Notice, ahead of the Class B Notes, the Class C Notes and the Class D Notes. The Class B Notes rank *pari passu* without preference or priority amongst themselves and, following the delivery of an Enforcement Notice, ahead of the Class C Notes and the Class D Notes. The Class C Notes rank *pari passu* without preference or priority amongst themselves and, following the delivery of an Enforcement Notice, ahead of the Class D Notes. The Class D Notes rank *pari passu* without preference or priority amongst themselves.
- 3.2 The Notes and the Coupons are obligations solely of the Issuer and are not obligations of, or guaranteed by, any of the other parties to the Transaction Documents.
- 3.3 Prior to the occurrence of an Enforcement Event and the delivery of an Enforcement Notice, the Issuer is required to apply the Available Distribution Amount in accordance with the Pre-Enforcement Order of Priority (as set out in Condition 8 (*Payments*) and Condition 7 (*Redemption and Cancellation*)) and, following the delivery of an Enforcement Notice, in accordance with the Post-Enforcement Order of Priority (as set out in Condition 11 (*Enforcement*)).
- 3.4 The Trust Deed contains provisions requiring the Trustee to have regard to the interests of the Noteholders equally as regards all rights, powers, trusts, authorities, duties and discretions of the Trustee (except where expressly provided otherwise), but requiring the Trustee in any such case (a) to have regard only to the interests of the holders of the Class A Notes then outstanding if, in the Trustee's opinion, there is a conflict between (i) the interests of the Class A Noteholders and (ii) the interests of the Class B Noteholders, the Class C Noteholders and/or the Class D Noteholders, and (b) subject to (a), to have regard only to the interests of the holders of the Class B Notes then outstanding if, in the Trustee's opinion, there is a conflict between (i) the interests of the Class B Noteholders and (ii) the interests of the Class C Noteholders and/or the Class D Noteholders and (c) subject to (a) and (b), to have regard only to the interests of the holders of the Class C Notes then outstanding if, in the Trustee's opinion, there is a conflict between (i) the interests of the Class C Noteholders and (ii) the interests of the Class D Noteholders.
- 3.5 So long as any of the Notes remain outstanding, in the exercise of its rights, authorities and discretions under the Transaction Documents, the Trustee is not required to have regard to the interests of the other Transaction Creditors.
- 3.6 The Trust Deed contains provisions limiting (i) the powers of the Class B Noteholders, the Class C Noteholders and the Class D Noteholders, *inter alia*, to request or direct the Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class A Noteholders, (ii) the power of the Class C Noteholders and the Class D Noteholders, *inter alia*, to request or direct the Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class B Noteholders and (iii) the power of the Class D Noteholders, *inter alia*, to request or direct the Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class C Noteholders.
- 3.7 Except in certain circumstances involving a Basic Terms Modification, the Trust Deed contains (a) no such limitation on the powers of the Class A Noteholders by reference to the effect thereof on the interests of the Class B Noteholders, the Class C Noteholders and the Class D Noteholders, the exercise of which will be binding on all such Class B Noteholders, Class C Noteholders and Class D Noteholders, irrespective of the effect thereof on their interests, (b) no such limitation on the powers of the Class B Noteholders by reference to the effect thereof on the interests of the Class C Noteholders and the Class D Noteholders, the exercise of which will be binding on the Class C Noteholders and Class D Noteholders, irrespective of the effect thereof on their interests and (c) no such limitation on the powers of the Class C Noteholders by reference to the effect thereof on the interests of the Class D Noteholders, the exercise of which will be binding on the Class D Noteholders, irrespective of the effect thereof on their interests.

- 3.8 In determining whether the exercise of any right, power, trust, authority, duty or discretion by it under or in relation to the Conditions and/or any of the Transaction Documents is materially prejudicial to the interests of the Class A Noteholders or the Class B Noteholders or the Class C Noteholders or the Class D Noteholders, the Trustee may take into account any things it may consider necessary and/or appropriate in its absolute discretion.
- 3.9 Only the assets comprised in the Issuer Security shall be available to satisfy the Secured Obligations. Accordingly, recourse against the Issuer in respect of such obligations shall be limited to the assets comprised in the Issuer Security and the claims of the Transaction Creditors against the Issuer under the Transaction Documents may only be satisfied to the extent of the assets comprised in the Issuer Security. Once the assets comprised in the Issuer Security have been realised and the proceeds applied in accordance with the applicable Priority of Payments:
- (a) neither the Trustee nor any other Transaction Creditor shall be entitled to take any further steps or other action against the Issuer to recover any sums due but unpaid;
  - (b) all claims in respect of any sums due but unpaid shall be extinguished; and
  - (c) neither the Trustee nor any Transaction Creditor shall be entitled to petition or take any other step for the winding up or administration of the Issuer.

#### **4. SECURITY**

As continuing security for the payment or discharge of the Secured Obligations and, subject always to the right of redemption of the Issuer, the Issuer will create in favour of the Trustee, for itself and on trust for the Transaction Creditors, in accordance with the terms of the Deed of Charge:

- a) an assignment by way of first fixed security of the benefit of all of its present and future right, title and interest to, in and under the Purchased Receivables;
- b) an assignment by way of first fixed security of the benefit of all of its present and future right, title and interest to, in and under:
  - (i) the Charged Transaction Documents;
  - (ii) each other contract, agreement, deed (other than the Trust Deed) and document, present and future, to which the Issuer is or becomes a party, including, without limitation, all rights to receive payment of any amounts which may become payable to the Issuer thereunder and all payments received by the Issuer thereunder from time to time, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof;
- c) first fixed security over the benefit of all of its present and future right, title and interest to, in and under any Permitted Investment;
- d) a first fixed charge over the benefit of each account of the Issuer, other than any such accounts situated outside England and Wales (and any replacement therefor), and all of its other book debts, present and future, the proceeds of the same and all other moneys due and payable to it and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the foregoing; and
- e) a first floating charge over the whole of the Issuer's undertaking and all the Issuer's property, assets and rights whatsoever and wheresoever present and future including, without limitation, the Issuer's uncalled capital except to the extent otherwise charged or secured under the Deed of Charge (but excepting from such exclusion the whole of the Issuer's undertaking, property, assets and rights situated in Scotland or otherwise governed by Scots law, all of which are charged by the floating charge thereby created).

In addition, as continuing security for the payment or discharge of the Secured Obligations, the Issuer will grant the Assignment in Security in favour of the Trustee, for itself and on trust for the Transaction Creditors.

#### **5. ISSUER COVENANTS**

- 5.1 Save as permitted by the Transaction Documents, the Issuer Covenants contain certain covenants in favour of the Trustee on behalf of itself and the Transaction Creditors from the Issuer which, amongst

other things, restrict the ability of the Issuer to create or incur any indebtedness, dispose of assets or change the nature of its business.

5.2 The Issuer undertakes:

- (a) to provide to the Trustee, the Rating Agencies and the Paying Agent or to procure that the Trustee, the Rating Agencies and the Paying Agent are provided with:
  - (i) the Financial Statements; and
  - (ii) the Investor Reports; and
- (b) to publish or procure the publication of the Investor Reports on <http://gctabsreporting.bnpparibas.com/index.jsp> and on Bloomberg (or another similar financial news, media or web site), except to the extent that disclosure of such financial information would at that time breach any law, regulation, Irish Stock Exchange requirement or rules of any applicable regulatory body to which the Issuer is subject.

The Financial Statements and the Investor Reports will be available for inspection by the Noteholders during normal business hours on any Business Day, and upon written request, at the specified office for the time being of the Paying Agent. Upon receipt of such information, the Paying Agent will, upon written request by a Noteholder to the Paying Agent and confirmation satisfactory to the Paying Agent of its current holding of the Notes, post to it the most recent Investor Report held by the Paying Agent.

5.3 So long as any of the Notes remains outstanding, the Issuer will procure that there will at all times be a cash manager (which shall, on the Closing Date, be BNP Paribas Securities Services, Luxembourg Branch) in respect of the monies from time to time standing to the credit of the Accounts and any other account of the Issuer from time to time. Any appointment of a substitute cash manager by the Issuer is subject to, amongst other things, such substitute cash manager entering into an agreement in the form of (and on substantially the same terms as) the Cash Management Agreement and such appointment not resulting in a ratings downgrade. Any resignation by the Cash Manager or a termination of its appointment will not take effect until a substitute cash manager, previously approved in writing by the Trustee, has been duly appointed.

5.4 The counterparties of the Transaction Documents are not liable to procure the Issuer's compliance with its covenants.

## 6. INTEREST

### *Period of Accrual*

6.1 The Notes shall bear interest from (and including) the Closing Date. Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) shall cease to bear interest from its due date for redemption, unless, upon due presentation, payment of the relevant amount of principal or any part thereof is improperly withheld or refused. In such event, interest will continue to accrue thereon (before and after any decree or judgment) at the rate applicable to such Note up to (but excluding) the date on which, on presentation of such Note, payment in full of the relevant amount of principal is made or (if earlier) seven days after the date notice is duly given by the Paying Agent to the holder thereof (in accordance with Condition 17 (*Notices to Noteholders*)) that upon presentation thereof, such payment will be made, provided that upon such presentation, such payment is in fact made.

### *Payment Dates and Interest Periods*

6.2 Interest on the Notes is payable monthly in arrears on the 20<sup>th</sup> of each calendar month, or, in the event such day is not a Business Day, then on the next following Business Day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day (each a "**Payment Date**") in respect of the Interest Period ending immediately prior thereto.

6.3 In the event of an Interest Shortfall arising in respect of any Note (excluding the Most Senior Class Outstanding), the payment of such Accrued Interest remaining unpaid on that Payment Date shall be deferred to the next Payment Date, subject to the provisions of this Condition 6.3. Interest will not accrue on any such deferred Accrued Interest irrespective of the period for which it remains outstanding. No Accrued Interest payable in relation to the Most Senior Class Outstanding shall be deferred pursuant to this Condition 6.3.

*Interest Rates on the Notes*

- 6.4 The interest rate applicable to the Class A Notes shall be equivalent to LIBOR for Sterling deposits plus 1.40 per cent. per annum (the "**Class A Margin**") (the "**Class A Notes Interest Rate**"). The interest rate applicable to the Class B Notes shall be 5.5 per cent. per annum (the "**Class B Notes Interest Rate**") for each Interest Period. The interest rate applicable to the Class C Notes shall be 15 per cent. per annum. (the "**Class C Notes Interest Rate**") for each Interest Period. The interest rate applicable to the Class D Notes shall be 20 per cent. per annum (the "**Class D Notes Interest Rate**") for each Interest Period.

LIBOR will be determined by the Agent Bank on the following basis:

- (a) at or about 11.00 a.m. on the Payment Date on which the relevant Interest Period commences (each such day, a "**LIBOR Determination Date**"), the Agent Bank will determine the offered quotation to leading banks in the London interbank market ("**LIBOR**") for one month Sterling deposits or, in the case of the first Interest Period from (and including) the Closing Date to (but excluding) the Payment Date falling on 21 May 2012, an interpolation of LIBOR for one and two month Sterling deposits (rounded to five decimal places with the mid-point rounded up) by reference to the display designated as the British Bankers' Association's Interest Settlement Rate as quoted on page LIBOR01 of the Reuters screen service (the "**LIBOR Screen Rate**"). If the agreed page is replaced or service ceases to be available, the Agent Bank may specify another page or service displaying the appropriate rate after consultation with the Trustee and the Paying Agent; or
- (b) if the LIBOR Screen Rate is not then available for Sterling or for the Interest Period, the arithmetic mean of the rates (rounded to five decimal places with the mid-point rounded up) as supplied to the Agent Bank at its request by the principal London office of each of The Royal Bank of Scotland plc, Barclays Bank plc and Citibank N.A. or such other banks which the Agent Bank (in consultation with the Trustee and the Paying Agent) may appoint from time to time (the "**Reference Banks**") at or about 11.00 a.m. on the LIBOR Determination Date for the offering of deposits to the leading banks in the London interbank market in Sterling and for a period comparable to the Interest Period for the Notes. If on any LIBOR Determination Date, only two of three of the Reference Banks provide such offered quotations to the Agent Bank, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations. If on any such LIBOR Determination Date, only one quotation is provided as requested, the rate for that LIBOR Determination Date will be the arithmetic mean (rounded to five decimal places with the mid-point rounded up) of the rates quoted by leading banks in London selected by the Agent Bank (which bank or banks is or are in the opinion of the Trustee suitable for such purpose).
- 6.5 The amount of interest payable in respect of each Class A Note on any Payment Date shall be calculated not later than on the first day of the Interest Period by applying the Class A Notes Interest Rate for the relevant Interest Period to the Principal Amount Outstanding of the Class A Notes immediately prior to the relevant Payment Date and multiplying the result by the actual number of days in the relevant Interest Period divided by 365 or, if the relevant Payment Date falls in a leap year, by 366, and rounding the result to the nearest full pence, all as determined by the Agent Bank. The amount of interest payable in respect of each Class B Note, Class C Note and Class D Note on any Payment Date shall be calculated not later than on the first day of the Interest Period by applying the Class B Notes Interest Rate, the Class C Notes Interest Rate or the Class D Notes Interest Rate, as applicable, for the relevant Interest Period to the Principal Amount Outstanding of the relevant class of Notes immediately prior to the relevant Payment Date and multiplying the result by the actual number of days in the relevant Interest Period divided by 365 and rounding the result to the nearest full pence, all as determined by the Agent Bank.
- 6.6 The Agent Bank will, on the LIBOR Determination Date in relation to each Interest Period, calculate the amount of interest (the "**Interest Amount**") payable in respect of each Class A Note, Class B Note, Class C Note and Class D Note for such Interest Period. The Interest Amount in respect of the Class A Notes (the "**Class A Notes Interest Amount**") will be calculated by applying the Class A Notes Interest Rate for such Interest Period to the Principal Amount Outstanding of such Class A Notes during such Interest Period, multiplying the product by the actual number of days in such Interest Period divided by 365 or, if the relevant Payment Date falls in a leap year, by 366, and rounding the resulting figure to the nearest £0.01 (half of £0.01 being rounded upwards). The Interest Amount in respect of the Class B Notes (the "**Class B Notes Interest Amount**") will be calculated by applying the

Class B Notes Interest Rate for such Interest Period to the Principal Amount Outstanding of such Class B Notes during such Interest Period, multiplying the product by the actual number of days in such Interest Period divided by 365 or, if the relevant Payment Date falls in a leap year, by 366, and rounding the resulting figure to the nearest £0.01 (half of £0.01 being rounded upwards). The Interest Amount in respect of the Class C Notes (the "**Class C Notes Interest Amount**") will be calculated by applying the Class C Notes Interest Rate for such Interest Period to the Principal Amount Outstanding of such Class C Notes during such Interest Period, multiplying the product by the actual number of days in such Interest Period divided by 365 or, if the relevant Payment Date falls in a leap year, by 366, and rounding the resulting figure to the nearest £0.01 (half of £0.01 being rounded upwards). The Interest Amount in respect of the Class D Notes (the "**Class D Notes Interest Amount**") will be calculated by applying the Class D Notes Interest Rate for such Interest Period to the Principal Amount Outstanding of such Class D Notes during such Interest Period, multiplying the product by the actual number of days in such Interest Period divided by 365 or, if the relevant Payment Date falls in a leap year, by 366, and rounding the resulting figure to the nearest £0.01 (half of £0.01 being rounded upwards).

*Failure of Agent Bank*

- 6.7 If the Agent Bank fails at any time to determine the Class A Notes Interest Rate and/or the Class B Notes Interest Rate and/or the Class C Notes Interest Rate and/or the Class D Notes Interest Rate or to calculate the Class A Notes Interest Amount and/or the Class B Notes Interest Amount and/or the Class C Notes Interest Amount and/or the Class D Notes Interest Amount, the Trustee or its appointed agent without accepting any liability therefor, will determine such Class A Notes Interest Rate, Class B Notes Interest Rate, Class C Notes Interest Rate and/or Class D Notes Interest Rate, as the case may be, as it considers fair and reasonable in the circumstances (having such regard as it thinks fit to Conditions 6.5, 6.6 and 6.7 (*Interest - Interest Rates on the Notes*) above) or (as the case may be) calculate such Class A Notes Interest Amount, Class B Notes Interest Amount, Class C Notes Interest Amount and/or Class D Notes Interest Amount, as the case may be, in accordance with Conditions 6.5, 6.6 and 6.7 (*Interest - Interest Rates on the Notes*) above, and each such determination or calculation shall be deemed to have been made by the Agent Bank.
- 6.8 In doing so, the Trustee shall apply all of these Conditions with any necessary consequential amendments to the extent that, in its sole opinion and with absolute discretion, it can do so and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all circumstances and will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof, and any such determination and/or calculation made by the Trustee shall, in the absence of wilful default, bad faith or manifest error, be final and binding on the Issuer and the Noteholders.

*Publication of Interest Rates, Interest Amounts and other Notices*

- 6.9 As soon as practicable after receiving notification thereof, the Issuer will cause each Class A Notes Interest Rate, Class B Notes Interest Rate, Class C Notes Interest Rate, Class D Notes Interest Rate, Class A Notes Interest Amount, Class B Notes Interest Amount, Class C Notes Interest Amount and Class D Notes Interest Amount applicable for the relevant Interest Period and the immediately succeeding Payment Date to be notified to the Irish Stock Exchange (for so long as the Notes are admitted to listing on the Irish Stock Exchange and the guidelines of the Irish Stock Exchange so require) and will cause notice thereof to be given to the Noteholders in accordance with Condition 17 (*Notices to Noteholders*). The Class A Notes Interest Amount, the Class B Notes Interest Amount, the Class C Notes Interest Amount and the Class D Notes Interest Amount and the Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the Interest Period.

*Notification to be Final*

- 6.10 All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6, whether by the Agent Bank or the Trustee shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer and all Noteholders, the Agent Bank, the Trustee and (in the absence of wilful default, bad faith or manifest error) no liability to the Trustee or the Noteholders shall attach to the Issuer, the Agent Bank or the Trustee in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions under this Condition 6.

*Agent Bank*

- 6.11 The Issuer shall ensure that, so long as any of the Notes remain outstanding, there shall at all times be three Reference Banks and an Agent Bank approved in writing by the Trustee. The Agent Bank may not resign until a successor so approved by the Trustee has been appointed. The initial Reference Banks shall be the principal office of each of The Royal Bank of Scotland plc, Barclays Bank plc and Citibank N.A. In the event the principal office of any such bank being unable or unwilling to continue to act as a Reference Bank, the Issuer shall appoint such other bank as may have been previously approved by the Trustee.

**7. REDEMPTION AND CANCELLATION**

*Final Redemption*

- 7.1 Unless previously redeemed in full as provided in this Condition 7, the Issuer shall redeem each Note at its Principal Amount Outstanding, together with Accrued Interest (if any), on the Payment Date falling in February 2019 (the "**Final Maturity Date**"). The actual final redemption date of the Notes may be earlier than the Final Maturity Date.
- 7.2 The Issuer may not redeem the Notes in whole or in part prior to the Final Maturity Date except as provided below in Conditions 7.3 (*Redemption and Cancellation - Optional Redemption in Whole*) and 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*), but without prejudice to Condition 10 (*Enforcement Events*).

*Optional Redemption in Whole*

- 7.3 The Issuer may, at its option and with not less than 30 calendar days' prior notice in writing given to the Noteholders in accordance with Condition 17 (*Notice to Noteholders*), redeem all (but not some only) of the Notes at their Principal Amount Outstanding together with any Accrued Interest that has accrued prior to the date fixed for redemption, on any Payment Date:
- (a) on which the Issuer is to make any payment in respect of the Notes or the Issuer or the Swap Counterparty is to make any payment in respect of the Swap Agreement and either the Issuer or the Swap Counterparty, as the case may be, would be required to make a deduction or withholding on account of any Tax in respect of such payment; or
  - (b) after the date on which the Issuer would, by virtue of a change in the tax law of the Issuer's jurisdiction of incorporation (or the application or official interpretation of such tax law), not be entitled to relief for the purposes of such tax law for any material amount which it is obliged to pay, or is treated as receiving for the purposes of such tax laws under the Transaction Documents; or
  - (c) on which the Aggregate Principal Balance of the Purchased Receivables is less than 10 per cent. of the Aggregate Cut-Off Date Principal Balance of the Purchased Receivables.

Prior to the publication of any notice of redemption pursuant to this Condition 7, the Issuer shall deliver to the Trustee (A) a certificate signed by two directors of the Issuer stating that the circumstances permitting such redemption prevail and setting out details of such circumstances, (B) an opinion in form and substance satisfactory to the Trustee of independent legal advisers of recognised standing confirming that such certificate is correct and (C) a certificate signed by two directors of the Issuer stating that it will have the funds available on the date fixed for redemption to satisfy all of the obligations of the Issuer under the Trust Deed, the Notes and any other liability of the Issuer ranking senior thereto or *pari passu* therewith pursuant to the Pre-Enforcement Order of Priority on such date. The Trustee shall be entitled to accept such certificate, opinion and evidence as sufficient for the purposes of this Condition 7, in which event they shall be conclusive and binding on the Noteholders and on the other Transaction Creditors.

*Mandatory Redemption in Part*

- 7.4 Unless previously redeemed and cancelled, each Note is subject to mandatory early redemption in part *pari passu* on a *pro rata* basis with other Notes of the same class on each Payment Date on which the Available Distribution Amount is available for this purpose and applied in accordance with Condition 8 (*Payments*).

In the event that the Cash Manager does not receive, or there is a delay in the receipt of, some or all the information necessary for it to prepare the Investor Report in respect of any Calculation Date (a "**Servicing Report Delivery Failure**") but the Cash Manager determines that the amounts standing to the credit of the Issuer Account and the Cash Reserve Account are sufficient to pay the interest due on the Most Senior Class Outstanding and any other amount ranking in priority thereto pursuant to the Pre-Enforcement Order of Priority of which it has been notified by the relevant Transaction Parties, the Cash Manager shall:

- (a) prepare the payment report (the "Provisional Payments Report") on or prior to the relevant Calculation Date based on the information provided in the last available Servicing Report and calculate: (i) the amounts of interest due and payable on the Most Senior Class Outstanding and any other amount ranking in priority thereto which it is aware of at such time, on the immediately following Payment Date pursuant to the Pre-Enforcement Order of Priority; (ii) the fees payable to third parties pursuant to items (i) to (vi) inclusive of the Pre-Enforcement Order of Priority, which shall be assumed to be equal to the amount specified in the last available Investor Report;
- (b) promptly inform the Issuer, the Trustee and the Swap Counterparty; and
- (c) take such commercially reasonable steps, together with the Issuer, the Trustee and the Account Bank, as are required to apply the amounts standing to the credit of the Issuer Account and the Cash Reserve Account in or towards payment of any interest amount in respect of the Most Senior Class Outstanding and any other payment ranking in priority thereto pursuant to the Pre-Enforcement Order of Priority, on the relevant Payment Date.

In such circumstances, no amounts of principal shall be payable on any class of Notes on such Payment Date or any subsequent Payment Date until the earliest of (i) the Payment Date immediately following the provision of a Servicing Report by the Servicer (or any replacement servicer) on a Servicing Report Performance Date, (ii) the Final Maturity Date and (iii) the delivery of an Enforcement Notice (in which case payments will be made pursuant to the Post-Enforcement Order of Priority). Interest will continue to accrue on the Principal Amount Outstanding of the Notes deferred pursuant to this Condition 7.4 in accordance with the provisions set out in Condition 6 (*Interest*).

*Mandatory Redemption following Enforcement Notice*

- 7.5 Following the service of an Enforcement Notice, any Available Distribution Amount shall be applied by or on behalf of the Trustee in accordance with the Post-Enforcement Order of Priority.

*Note Principal Payment*

- 7.6 Any principal amounts received under Condition 7.1 (*Redemption and Cancellation - Final Redemption*), Condition 7.3 (*Redemption and Cancellation - Optional Redemption in Whole*), Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*) or Condition 7.5 (*Redemption and Cancellation - Mandatory Redemption following Enforcement Notice*) to be applied in redemption of the Notes, in whole or in part, shall upon such application, redeem the aggregate Principal Amount Outstanding of each such Note (the "**Note Principal Payment**") (rounded down to the nearest penny).

*Calculation of Note Principal Payments and Principal Amount Outstanding*

- 7.7 Two Business Days before each Payment Date (each a "**Calculation Date**"), the Issuer (or the Agent Bank on its behalf) shall determine or shall cause to be determined:

- (a) if there is to be a partial or whole redemption of the Notes pursuant to Condition 7.1 (*Redemption and Cancellation - Final Redemption*), Condition 7.3 (*Redemption and Cancellation - Optional Redemption in Whole*), Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*) or Condition 7.5 (*Redemption and Cancellation - Mandatory Redemption following Enforcement Notice*), the amount of any Note Principal Payment due on such Payment Date; and

- (b) the Principal Amount Outstanding of each Note on such Payment Date (after deducting any Note Principal Payment to be paid on that Payment Date).

Each determination by or on behalf of the Issuer (or the Agent Bank on its behalf) of any Note Principal Payment and the Principal Amount Outstanding of the Notes shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

Within five Business Days after each Payment Date, the Issuer (or the Agent Bank on its behalf) will notify the Irish Stock Exchange of the aggregate Principal Amount Outstanding of each class of Notes.

*Notice of Redemption*

- 7.8 Any such notice as referred to in Condition 7.3 (*Redemption and Cancellation – Optional Redemption in Whole*) shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the relevant Notes at the applicable amounts specified in these Conditions.

*Cancellation*

- 7.9 All Notes redeemed in full together with payment of all Accrued Interest shall be cancelled upon redemption or surrender, and may not be reissued or resold.

*Purchase*

- 7.10 The Issuer may not at any time purchase any of the Notes.

**8. PAYMENTS**

*Principal*

- 8.1 Whilst the Notes are in definitive form, payments of principal shall, subject to Condition 8.7 (*Payments - Endorsement of Payments*) below, be made only against presentation and (provided that payment is made in full) surrender of Notes at the specified office of the Paying Agent outside the United States by Sterling cheque drawn on, or by transfer to a Sterling account maintained by the payee with, a bank in London. The Agent Bank will cause each amount of principal payment to be notified to the Paying Agent, the Trustee, and the Noteholders in accordance with Condition 17 (*Notices to Noteholders*) and to each stock exchange (if any) on which the Notes are then listed as soon as practicable after the relevant Calculation Date. The Agent Bank shall notify the Trustee, Paying Agent and relevant stock exchanges of such amount at the same time at which it notifies them of the Class A Notes Interest Rate, the Class B Notes Interest Rate, the Class C Notes Interest Rate, the Class D Notes Interest Rate, the Class A Notes Interest Amount, the Class B Notes Interest Amount, the Class C Notes Interest Amount and the Class D Notes Interest Amount in accordance with Condition 6 (*Interest*).

*Interest*

- 8.2 Whilst the Notes are in definitive form, interest payments, subject to Condition 8.7 (*Payments - Endorsement of Payments*) below, shall be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the specified office of any Paying Agent outside the United States in the manner described in Condition 8.1 (*Payments - Principal*) above.

*Payments subject to fiscal laws*

- 8.3 All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 9 (*Taxes*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

*Unmatured Coupons void*

- 8.4 On the due date for final redemption of any Notes or early redemption in full of such Notes pursuant to Condition 7.3 (*Redemption and Cancellation - Optional Redemption in Whole*) or Condition 10 (*Enforcement Events*), all unmaturing Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

*Payments on Business Days*

- 8.5 If the due date for payment of any amount in respect of any Notes or Coupon is not a Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Business Day on which banks are open for business in such place of presentation and shall not be entitled to any further interest or other payment in respect of any such delay.



*Payments other than in respect of matured Coupons*

- 8.6 Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Instruments at the specified office of the Paying Agent outside the United States.

*Endorsement of payments*

- 8.7 If the Paying Agent makes a payment in respect of any Notes (otherwise than against presentation and surrender of a Coupon) or a partial payment in respect of any Coupon presented to it for payment, the Paying Agent will endorse on such Note a statement indicating the amount and date of such payment.

*Pre-Enforcement Order of Priority*

- 8.8 Prior to the delivery of an Enforcement Notice, the Available Distribution Amount will be applied by the Cash Manager in making the following payments in the following order of priority but in each case only to the extent that all payments of a higher priority have been made in full (the "**Pre-Enforcement Order of Priority**"):

- (i) *first*, amounts payable in respect of Taxes (if any) by the Issuer, any tax filing fees and any annual return or exempt company status fees;
- (ii) *second*, amounts due in respect of fees and any other amounts or liabilities payable by the Issuer to the Trustee under the Trust Deed, these Conditions or any other Transaction Document, including fees and all other liabilities payable to its appointees and VAT (if any);
- (iii) *third, pari passu and pro rata*, amounts payable (a) to the Corporate Services Provider under the Corporate Services Agreement, (b) to the Servicer as the Servicer Fee, (c) to the Back-up Servicer under the Back-up Servicing Agreement, (d) to the Paying Agent under the Paying Agency Agreement, (e) to the Agent Bank under the Paying Agency Agreement, (f) to the Cash Manager under the Cash Management Agreement, (g) as Administrator Recovery Incentive payments, (h) to the Rating Agencies as monitoring fees, and (i) to the ICSDs under the Issuer-ICSDs Agreement;
- (iv) *fourth, pari passu and pro rata*, amounts payable in respect of other administration costs and expenses of the Issuer including without limitation, any costs relating to the listing of the Notes and any auditors' fees;
- (v) *fifth, pari passu and pro rata*, fees payable to the Account Bank due under the Account Agreement and to the custodian of any Swap Collateral Custody Account;
- (vi) *sixth, pari passu and pro rata*, any amounts payable by the Issuer to the Swap Counterparty under the Swap Agreement (including Net Swap Payments and Swap Termination Payments) other than any Subordinated Termination Payments;
- (vii) *seventh*, to the Class A Noteholders, *pari passu and pro rata* amounts payable in respect of accrued and unpaid interest on the Class A Notes;
- (viii) *eighth*, provided that the Class B Note Trigger has not been breached, to the Class B Noteholders *pari passu and pro rata* amounts payable in respect of accrued and unpaid interest on the Class B Notes (including, without limitation, overdue interest);
- (ix) *ninth*, provided that the Class C Note Trigger has not been breached, to the Class C Noteholders *pari passu and pro rata* any amounts payable in respect of the accrued and unpaid Class C Notes Interest Amount (including, without limitation, overdue interest);
- (x) *tenth*, amounts payable to the Cash Reserve Account, until the balance of the Cash Reserve Amount is equal to the Specified Cash Reserve Account Required Balance;
- (xi) *eleventh, pari passu and pro rata*, to the Class A Noteholders, an aggregate amount equal to the Class A Principal Payment Amount for such Payment Date;
- (xii) *twelfth*, if the Class B Note Trigger has been breached, to the Class B Noteholders *pari passu and pro rata* amounts payable in respect of accrued and unpaid interest on the Class B Notes (including, without limitation, overdue interest);
- (xiii) *thirteenth, pari passu and pro rata*, to the Class B Noteholders, an aggregate amount equal to the Class B Principal Payment Amount for such Payment Date;

- (xiv) *fourteenth*, if the Class C Note Trigger has been breached, to the Class C Noteholders *pari passu* and *pro rata* amounts payable in respect of the accrued and unpaid Class C Notes Interest Amount (including, without limitation, overdue interest);
- (xv) *fifteenth*, *pari passu* and *pro rata*, to the Class C Noteholders, an aggregate amount equal to the Class C Principal Payment Amount for such Payment Date;
- (xvi) *sixteenth*, Subordinated Termination Payments due by the Issuer to the Swap Counterparty;
- (xvii) *seventeenth*, to the Class D Noteholders *pari passu* and *pro rata*, amounts payable in respect of accrued and unpaid interest on the Class D Notes;
- (xviii) *eighteenth*, on or following the earliest of (i) the Final Maturity Date, (ii) the date when the Principal Amount Outstanding of the Senior Notes has been reduced to zero and (iii) an optional redemption in whole of all of the Notes in accordance with Condition 7.3 (*Redemption and Cancellation - Optional Redemption in Whole*) (above) only, to the Class D Noteholders *pari passu* and *pro rata*, an amount equal to the Principal Amount Outstanding of the Class D Notes;
- (xix) *nineteenth*, to pay the Issuer Retained Profit to the Issuer; and
- (xx) *twentieth*, to pay any Deferred Purchase Price to the Seller.

## 9. TAXES

All payments of principal and interest in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the United Kingdom or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall have no obligation to pay any additional amount.

If the Issuer becomes subject at any time to any taxing jurisdiction other than the United Kingdom, references in these Conditions to the United Kingdom shall be construed as references to the United Kingdom and/or such other jurisdiction.

## 10. ENFORCEMENT EVENTS

### *Enforcement Events*

10.1 The following shall be Enforcement Events in respect of the Notes (each an "**Enforcement Event**"):

- (a) *Non-payment*: the Issuer fails to pay any amount of principal or interest (other than (i) any interest which falls to be deferred pursuant to Condition 6.3 (*Interest - Payment Dates and Interest Periods*)) in respect of the Notes (excluding the Most Senior Class Outstanding), or (ii) any principal which falls to be deferred pursuant to Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*)), within two Business Days after the due date for payment thereof; or
- (b) *Breach of other obligations*: the Issuer defaults in the performance or observance of any other obligation, condition, provision, representation or warranty binding upon or made by it under or in respect of the Notes, these Conditions or any Transaction Document (other than any obligation whose breach would give rise to the Enforcement Event provided for in Condition 10.1(a) above) and such default (A) is, in the opinion of the Trustee, incapable of remedy or (B) is, in the opinion of the Trustee, capable of remedy but remains unremedied for 30 days or such longer period as the Trustee may agree after the Trustee has given written notice thereof to the Issuer; or
- (c) *Insolvency*: an Insolvency Event occurs with respect to the Issuer; or
- (d) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes, these Conditions, the Trust Deed or any other Transaction Document,

provided that in the case of the occurrence of any of the events mentioned in paragraph (b) above, the Trustee shall have certified in writing to the Issuer that the happening of such event is in its opinion materially prejudicial to the interests of the Most Senior Class Outstanding.

*Delivery of Enforcement Notice*

- 10.2 If an Enforcement Event occurs and is continuing, the Trustee may at its discretion and shall:
- (a) if so requested in writing by the holders of at least 25 per cent. of the Principal Amount Outstanding of the Most Senior Class Outstanding; or
  - (b) if so directed by an Extraordinary Resolution of the holders of the Most Senior Class Outstanding,

deliver a notice to the Issuer declaring the Notes immediately due and payable (an "**Enforcement Notice**").

*Conditions to delivery of Enforcement Notice*

- 10.3 Notwithstanding Condition 10.2 (*Enforcement Events - Delivery of Enforcement Notice*) above, the Trustee shall not be obliged to deliver an Enforcement Notice unless it shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities to which it may thereby become liable or which it may incur by so doing.

*Consequences of delivery of Enforcement Notice*

- 10.4 Upon the delivery of an Enforcement Notice, the Notes shall thereby become immediately due and payable without further action or formality at their Principal Amount Outstanding together with any Accrued Interest and the Issuer Security shall become enforceable by the Trustee in accordance with the Deed of Charge. The Trustee, the Noteholders and the other Transaction Creditors will have recourse only to the assets comprised in the Issuer Security. Once the assets comprised in the Issuer Security have been realised and the proceeds applied in accordance with the applicable Priority of Payments:

- (a) neither the Trustee nor any other Transaction Creditor shall be entitled to take any further steps or other action against the Issuer to recover any sums due but unpaid;
- (b) all claims in respect of any sums due but unpaid shall be extinguished; and
- (c) no Transaction Creditor (other than the Trustee) shall be entitled to petition or take any other step for the winding up or administration of the Issuer.

*Limited Recourse*

- 10.5 The recourse of the Transaction Creditors against the Issuer is limited, as more particularly described in the Trust Deed and the Deed of Charge.

*Limitation on action*

- 10.6 Only the Trustee shall be entitled to petition or take any other step for the winding up or the administration of the Issuer or for the enforcement of the assets constituting the Issuer Security.

**11. ENFORCEMENT**

*Proceedings*

- 11.1 The Trustee may, at its discretion and without further notice, at any time institute such proceedings as it thinks fit to enforce its rights under the Transaction Documents and, at any time after the Issuer Security shall have become enforceable, take such steps as it thinks fit to enforce the Issuer Security. The Trustee shall not be bound to take any such proceedings or steps unless:

- (a) so requested in writing by the holders of at least 25 per cent. of the Principal Amount Outstanding of the Most Senior Class Outstanding; or
- (b) so directed by an Extraordinary Resolution of the holders of the Most Senior Class Outstanding,

and in any such case, only if it shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities to which it may thereby become liable or which it may incur by so doing.

*Restrictions on disposal of Issuer's assets*

11.2 If an Enforcement Notice has been delivered by the Trustee otherwise than by reason of non-payment of any amount due in respect of the Notes, the Trustee will not be entitled to dispose of the Issuer Security or any part thereof unless either:

- (a) a sufficient amount would be realised to allow payment in full of all amounts owing to the Noteholders, the Couponholders and in respect of all other liabilities of the Issuer senior thereto or *pari passu* therewith in accordance with the Post-Enforcement Order of Priority; or
- (b) the Trustee has received advice, which shall be binding on the Noteholders and the other Transaction Creditors, from an investment bank or other financial adviser selected by the Trustee (the costs of such advice to be borne by the Issuer), (and if the Trustee is unable to obtain such advice having made reasonable efforts to do so this Condition shall not apply) that
  - (i) the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing to the Noteholders and Couponholders in accordance with the Post-Enforcement Order of Priority and
  - (ii) the resulting shortfall will be greater than the shortfall resulting from such disposal, and

the Trustee shall not be bound to take any steps in relation to this Condition 11.2 (*Enforcement - Restrictions on disposal of Issuer's assets*) unless the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities to which it may thereby become liable or which it may incur by so doing.

*Post-Enforcement Order of Priority*

11.3 After the delivery of an Enforcement Notice, the Available Distribution Amount and any other amounts received or recovered by the Trustee in respect of the Issuer Security will be applied by or on behalf of the Trustee in making the following payments in the following order of priority but in each case only to the extent that all payments of a higher priority have been made in full (the "**Post-Enforcement Order of Priority**"):

- (i) *first, pari passu and pro rata*, (a) any remuneration then due and payable to any receiver of the Issuer and all costs, expenses, charges and other liabilities incurred by such receiver and (b) any fees and all other amounts and liabilities payable by the Issuer to the Trustee under these Conditions, the Trust Deed and any other Transaction Document including fees payable to its appointees and VAT (if any);
- (ii) *second, pari passu and pro rata*, amounts payable (a) to the Corporate Services Provider under the Corporate Services Agreement, (b) to the Servicer as the Servicer Fee, (c) to the Back-up Servicer under the Back-up Servicing Agreement, (d) to the Paying Agent under the Paying Agency Agreement, (e) to the Agent Bank under the Paying Agency Agreement, (f) to the Cash Manager under the Cash Management Agreement, (g) to the Account Bank under the Account Agreement, (h) to the custodian of any Swap Collateral Custody Account, and (i) as Administrator Recovery Incentive payments;
- (iii) *third, pari passu and pro rata*, amounts payable (a) to the Rating Agencies as monitoring fees and (b) to the ICSDs under the Issuer-ICSDs Agreement;
- (iv) *fourth*, amounts payable in respect of other administration costs and expenses of the Issuer including without limitation, any costs relating to the listing of the Notes and any auditors' fees;
- (v) *fifth*, any amounts payable by the Issuer to the Swap Counterparty under the Swap Agreement (including Net Swap Payments and Swap Termination Payments) other than any Subordinated Termination Payments;
- (vi) *sixth, pari passu and pro rata* to the Class A Noteholders:
  - (A) amounts payable in respect of accrued and unpaid interest on the Class A Notes (including, without limitation, overdue interest); and
  - (B) an amount equal to the Principal Amount Outstanding of the Class A Notes until the Class A Notes have been redeemed in full;
- (vii) *seventh, pari passu and pro rata* to the Class B Noteholders:

- (A) amounts payable in respect of accrued and unpaid interest on the Class B Notes (including, without limitation, overdue interest); and
- (B) an amount equal to the Principal Amount Outstanding of the Class B Notes until the Class B Notes have been redeemed in full;
- (viii) *eighth, pari passu and pro rata* to the Class C Noteholders:
  - (A) amounts payable in respect of accrued and unpaid interest on the Class C Notes (including, without limitation, overdue interest); and
  - (B) an amount equal to the Principal Amount Outstanding of the Class C Notes until the Class C Notes have been redeemed in full;
- (ix) *ninth*, Subordinated Termination Payments due by the Issuer to the Swap Counterparty;
- (x) *tenth, pari passu and pro rata* to the Class D Noteholders:
  - (A) amounts payable in respect of accrued and unpaid interest on the Class D Notes (including, without limitation, overdue interest); and
  - (B) an amount equal to the Principal Amount Outstanding of the Class D Notes until the Class D Notes have been redeemed in full;
- (xi) *eleventh*, all outstanding amounts payable in respect of the Issuer Retained Profit; and
- (xii) *twelfth*, to pay an amount of Deferred Purchase Price to the Seller.

## **12. PRESCRIPTION**

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

## **13. REPLACEMENT OF NOTES**

Should a Global Note become lost, stolen, damaged or destroyed, then it may be replaced at the specified office of the Paying Agent, subject to all applicable laws and Irish Stock Exchange requirements, upon payment by the claimant of the costs arising in connection thereto. The Issuer may require proof of a declaration of exemption and/or adequate security prior to replacement. In the event of damage, the relevant Global Note shall be surrendered before a replacement is issued.

## **14. TRUSTEE AND AGENTS**

### *Trustee's Right to Indemnity*

- 14.1 Under the Trust Deed and these Conditions, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid any costs and expenses incurred by it in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

### *Trustee Not Responsible for Loss or for Monitoring*

- 14.2 The Trustee will not be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Issuer Security or any documents of title thereto being uninsured or inadequately insured or being held by or to the order of the Trustee or by any person on behalf of the Trustee. The Trustee shall not be responsible for monitoring the compliance of any of the other parties to the Transaction Documents with their obligations under the Transaction Documents.

### *Appointment and Removal of Trustees*

- 14.3 The power of appointing a new trustee of the Trust Deed shall be vested in the Issuer, but no person shall be appointed who shall not previously have been approved by an Extraordinary Resolution of the holders of the Most Senior Class Outstanding in accordance with the Trust Deed. One or more persons may hold office as trustee or trustees of the Trust Deed, provided that such trustee or trustees shall be (if there is only one) or include (if there is more than one) a trust corporation. Any appointment of a new trustee of the Trust Deed shall as soon as practicable thereafter be notified by the Issuer to the Paying Agent, the Rating Agencies and the Noteholders. The holders of the Most Senior Class Outstanding shall together have the power exercisable by Extraordinary Resolution to remove any trustee or trustees for the time being of the Trust Deed. The removal of any trustee shall not become

effective unless there remains a trustee of the Trust Deed (being a trust corporation) in office after such removal, or a replacement trust corporation is appointed.

*Agents Solely Agents of Issuer*

- 14.4 In acting under the Paying Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards, or relationship of agency or trust for or with, any of the Noteholders or Couponholders.

*Initial Paying Agent and Agent Bank*

- 14.5 The initial Paying Agent and the Agent Bank is BNP Paribas Securities Services, Luxembourg Branch whose initial specified office is 33, rue de Gasperich L-5826 Hesperange, Luxembourg. The Issuer reserves the right (subject to prior written approval of the Trustee) to vary or terminate the appointment of the Paying Agent or Agent Bank and to appoint a successor paying agent or agent bank and an additional or successor paying agents at any time, having given not less than 30 days' notice to the Paying Agent or the Agent Bank (as the case may be) and the Noteholders pursuant to Condition 17 (*Notices to Noteholders*).

*Maintenance of Paying Agent*

- 14.6 The Issuer will at all times maintain a Paying Agent. The Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

Notice of any change in the Paying Agent or in its specified offices shall promptly be given to the Noteholders in accordance with Condition 17 (*Notices to Noteholders*).

**15. MEETINGS OF NOTEHOLDERS**

*Convening*

- 15.1 The Trust Deed contains provisions for convening meetings of Noteholders of any class to consider matters relating to the Notes, including the modification of any provision of these Conditions or the Trust Deed or the provisions of any of the other Transaction Documents. Any such modification may be made if sanctioned by an Extraordinary Resolution subject as provided in Condition 15.4 (*Meeting of Noteholders - Relationship Between Classes*).

*Request from Noteholders*

- 15.2 A meeting of Noteholders of any class may be convened by the Trustee or the Issuer at any time and must be convened by the Issuer upon the request in writing of Noteholders holding not less than one-tenth of the Principal Amount Outstanding of the outstanding Notes of such class.

*Quorum*

- 15.3 The Trust Deed provides that the quorum at any meeting of the Noteholders of any class convened to vote on:
- (a) a resolution, other than an Extraordinary Resolution will be two or more persons present in person holding Notes of the relevant class and/or voting certificates and/or being proxies and holding or representing, in the aggregate, at least 10 per cent. of the aggregate Principal Amount Outstanding of the Notes of that class;
  - (b) an Extraordinary Resolution, other than an Extraordinary Resolution relating to a Basic Terms Modification, will be two or more persons present in person holding Notes of the relevant class and/or voting certificates and/or being proxies and holding or representing, in the aggregate, over 50 per cent. of the Principal Amount Outstanding of the outstanding Notes of that class or, at any adjourned meeting, two or more persons being or representing the Noteholders of that class, whatever the Principal Amount Outstanding of the outstanding Notes of that Class so held or represented; and
  - (c) an Extraordinary Resolution relating to a Basic Terms Modification will be two or more persons present in person holding Notes of the relevant class and/or voting certificates and/or being proxies and holding or representing, in the aggregate, not less than 75 per cent. of the

Principal Amount Outstanding of the Notes of the relevant class or, at any adjourned meeting, two or more persons present in person holding Notes of the relevant class and/or voting certificates and/or being proxies and holding or representing, in the aggregate, not less than 33.33 per cent. of the Principal Amount Outstanding of the outstanding Notes of that Class,

and no business (other than choosing a Chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of the meeting;

Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders of the relevant class whether present or not.

#### 15.4 *Relationship Between Classes*

- (a) No Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of one class of Notes shall be effective unless it is sanctioned by (i) an Extraordinary Resolution of the holders of each of the other classes of Notes and (ii) only in relation to any proposed amendment to the Priority of Payments the effect of which would in any way be adverse to the interests of the Swap Counterparty, the Swap Counterparty;
- (b) No Extraordinary Resolution to approve any matter other than a Basic Terms Modification that is passed by the holders of any class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of the other classes of Notes which rank senior to the relevant class of Notes unless the Trustee considers that the interests of the classes of Notes which rank senior to the relevant class of the Notes would not be materially prejudiced by the implementation of such Extraordinary Resolution;
- (c) Any resolution passed at a meeting of any class of Noteholders duly convened and held in accordance with the Trust Deed shall be binding upon all Noteholders of such class, whether or not present at such meeting and whether or not voting; and
- (d) Subject to paragraphs (a) and (b) above, any resolution passed at a meeting of the Noteholders of any class which is duly convened and held as aforesaid shall also be binding upon the holders of all the other classes of Notes.

#### *Resolutions in Writing*

- 15.5 In addition, a resolution in writing signed by or on behalf of all Noteholders of the relevant class who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed will take effect as if it were an Extraordinary Resolution of that class. Such a resolution in writing may be contained in one document or in several documents in the same form, each signed by or on behalf of one or more Noteholders, of the relevant class.

## 16. **MODIFICATION, WAIVER AND SUBSTITUTION**

### *Modification*

- 16.1 The Trustee may agree, without the consent or sanction of the Noteholders, the Couponholders or any other Transaction Creditors, with the Issuer and, subject to Condition 16.4 (*Modification, Waiver and Substitution - Restriction on Power to Waive*), any other relevant party to any of the Transaction Documents in making any modification other than a Basic Terms Modification to these Conditions, the Trust Deed, the Notes or the other Transaction Documents to which it is a party or over which it has security, or may give its consent to any event, matter or thing, if:
- (a) in its opinion, the interests of the Noteholders of any class would not be materially prejudiced thereby; or
  - (b) in relation to any modification, if in its opinion, it is required to correct a manifest error or an error in respect of which an English court could reasonably be expected to make a rectification order or is of a formal, minor, administrative or technical nature or is necessary or desirable for the purposes of clarification.

The Trustee may, without the consent or sanction of the Noteholders, the Couponholders or any other Transaction Creditors, subject to Condition 16.4 (*Modification, Waiver and Substitution - Restriction on Power to Waive*), (i) concur with the Issuer and/or any other party thereto in making or sanctioning any modification (other than a Basic Terms Modification) to these Conditions, the Trust Deed, the Notes or the other Transaction Documents, proposed by the Issuer and required in order to minimise or eliminate any withholding tax imposed on the Issuer as a result of the Foreign Account Tax

Compliance Act ("FATCA") provisions of the U.S. Hiring Incentives to Restore Employment or any regulations or notices made thereunder, and (ii) consent to the entry into by the Issuer, or the termination of, an agreement with the United States Internal Revenue Service (the "IRS") to provide for an exemption to withhold for or on account of any tax imposed in accordance with FATCA.

The Trustee shall agree, without the consent or sanction of the Noteholders, the Couponholders or any other Transaction Creditors, with the Issuer and, subject to Condition 16.4 (*Modification, Waiver and Substitution - Restriction on Power to Waive*), any other relevant party to any of the Transaction Documents in making any modification other than a Basic Terms Modification to these Conditions, the Trust Deed, the Notes or the other Transaction Documents to which it is a party or over which it has security, or may give its consent to any event, matter or thing, if it is required to do so, subject to the satisfaction of specified conditions under the terms of these Conditions or the Transaction Documents provided such conditions are satisfied.

*Waiver*

16.2 In addition, subject to this Condition 16 (*Modification, Waiver and Substitution*), the Trustee may, without the consent or sanction of the Noteholders, the Couponholders or any other Transaction Creditor authorise or waive any proposed breach or breach of the covenants or provisions contained in the Trust Deed, the Notes or any of the other Transaction Documents or determine that any such default shall not be treated as such if the conditions in Condition 16.1 (a) (*Modification, Waiver and Substitution – Modification*) are satisfied.

16.3 In connection with any substitution of the principal debtor as is referred to in Condition 16.8 (*Modification, Waiver and Substitution - Substitution*), the Trustee may also agree, without the consent of the Noteholders or any other Transaction Creditor, to a change of the laws governing the Notes and/or the Transaction Documents, provided that such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the holders of the Most Senior Class Outstanding.

*Restriction on Power to Waive*

16.4 The Trustee shall not exercise any powers conferred upon it by this Condition 16 (*Modification, Waiver and Substitution*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class Outstanding or of a request or direction in writing made by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class Outstanding but so that no such direction or request shall affect any authorisation, waiver or determination previously given or made.

16.5 The Trustee shall not exercise any powers conferred upon it by Condition 16.1 (*Modification, Waiver and Substitution - Modification*) or Condition 16.2 (*Modification, Waiver and Substitution - Waiver*) without the prior written consent of the Swap Counterparty if (i) the proposed variation, directly or indirectly, affects the Priority of Payments such that the interests of the Swap Counterparty are in any way adversely affected or (ii) the terms of any Transaction Document are amended and the interests of the Swap Counterparty would be materially adversely affected as a result of such amendment.

*Notification*

16.6 Unless the Trustee otherwise agrees, the Issuer shall cause any such authorisation, waiver, modification or determination to be notified to the Noteholders in accordance with Condition 17 (*Notices to Noteholders*), the Swap Counterparty and the other Transaction Creditors in accordance with the Transaction Documents, as soon as practicable after it has been made.

*Binding Nature*

16.7 Any authorisation, waiver, determination or modification referred to in Condition 16.1 (*Modification, Waiver and Substitution – Modification*), Conditions 16.2 and 16.3 (*Modification Waiver and Substitution - Waiver*) shall be binding on the Noteholders and the other Transaction Creditors.

*Substitution*

16.8 The Trust Deed contains provisions under which any other company may, without the consent of the Noteholders or Couponholders, assume the obligations of the Issuer as principal debtor under the Trust Deed, the Deed of Charge and the Notes provided that certain conditions specified in the Trust Deed are fulfilled. Any such substitution of the Issuer shall be notified to Noteholders by the Issuer or the substitute issuer in accordance with Condition 17 (*Notices to Noteholders*).



- 16.9 No Noteholder or Couponholder shall, in connection with any substitution, be entitled to claim any indemnification or payment in respect of any tax consequence thereof for such Noteholder or (as the case may be) Couponholder.
- 16.10 Where, in connection with the exercise or performance by it of any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents (including, without limitation, in relation to any modification, waiver, authorisation, determination or substitution as referred to above), the Trustee is required to have regard to the interests of the Noteholders of any class, it shall have regard to the interests of the Noteholders of such class as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim from the Issuer or the Trustee or any other person, any indemnification or payment in respect of any Tax consequences of any such exercise upon individual Noteholders.

## 17. NOTICES TO NOTEHOLDERS

### *Valid Notices and Date of Publication*

- 17.1 For so long as the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange require publication of such notices, notices to the Noteholders shall be valid if published in the Company Announcements section of the website of the Irish Stock Exchange (currently located at [www.ise.ie](http://www.ise.ie)). Any such notice shall be deemed to have been given on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

### *Other Methods*

- 17.2 The Trustee may approve some other method of giving notice to the Noteholders if, in its opinion, that other method is reasonable having regard to market practice then prevailing and to the requirements of any stock exchange on which Notes are then listed and provided that notice of that other method is given to the Noteholders in the manner required by the Trustee.

### *Notices to Irish Stock Exchange and Rating Agencies*

- 17.3 A copy of each notice given in accordance with this Condition 17 (*Notices to Noteholders*) shall be provided to the Rating Agencies, the Swap Counterparty and, for so long as the Notes are listed on the Irish Stock Exchange and the guidelines of the Irish Stock Exchange so require, the Irish Stock Exchange.

The Prospectus dated 28 March 2012 relating to the issue of the Notes will be published on the website of the Central Bank of Ireland ([www.centralbank.ie](http://www.centralbank.ie)).

## 18. MISCELLANEOUS

### *Rounding*

- 18.1 For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.).

### *Third Party Rights*

- 18.2 These Conditions confer no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these Conditions, but this does not affect any right or remedy of a third party which exists or is available aside from the Contracts (Rights of Third Parties) Act 1999.

### *Governing Law*

- 18.3 The Notes and any non-contractual obligations arising out of or in connection with them are governed by the laws of England and Wales.

The place of performance and venue for legal proceedings is England. The English courts have jurisdiction for the annulment of any Global Note in the event of loss or destruction.

## UNITED KINGDOM TAXATION

*The following is a summary of the Issuer's understanding of the law and published practice in the United Kingdom as at the date of this document in relation to certain aspects of the United Kingdom taxation of payments in respect of, and of the issue and transfers of, the Notes. The comments do not deal with all United Kingdom tax aspects of acquiring, holding or disposing of the Notes and relate only to the position of persons who are absolute beneficial owners of the Notes and may not apply to certain classes of Noteholders (such as dealers or persons connected with the Issuer). The comments are made on the assumption that there will be no substitution of the Issuer pursuant to the Trust Deed and do not consider the tax consequences of any such substitution.*

*The following is a general guide and should be treated with appropriate caution. Noteholders who are in any doubt as to their tax position should consult their own professional advisors. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom are particularly advised to consult their professional advisors as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.*

### **(A) Withholding tax on payments of interest on the Notes**

For so long as the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (the Irish Stock Exchange is currently such a "recognised stock exchange" for this purpose) interest payments on the Notes will be treated as a "payment of interest on a quoted Eurobond" within the meaning of section 882 of the Income Tax Act 2007. In these circumstances, payments of interest on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Notes is paid to a person who is resident in the United Kingdom for United Kingdom tax purposes and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that the owner is within the charge to United Kingdom corporation tax as regards the payment of interest or that the payment is made to one of the persons listed in sections 933-937 of the Income Tax Act 2007 in the circumstances specified in section 930 of the Income Tax Act 2007, provided that HM Revenue & Customs have not given a direction (in circumstances where it is reasonable grounds to believe that it is likely that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

In all other cases, interest on the Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available under the provisions of any applicable double taxation treaty or any other exemption which may apply.

### **(B) Further United Kingdom Income Tax Issues**

Interest on the Notes constitutes United Kingdom source income for tax purposes and, as such, may be subject to income tax by direct assessment even where paid without withholding. However, interest with a United Kingdom source received without deduction or withholding on account of United Kingdom tax will not be chargeable to United Kingdom tax in the hands of a Noteholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Noteholder carries on a trade, profession or vocation wholly or partly in the United Kingdom in connection with which the interest is received or to which the Notes are attributable (and where that Noteholder is a company, unless that Noteholder carries on a trade in the United Kingdom through a permanent establishment in connection with which the interest is received or to which the Notes are attributable). The provisions of an applicable double taxation treaty may also be relevant for such Noteholders.

#### Accrued Income Scheme – Individual Noteholders

A transfer of a Note by a Noteholder who is not within the charge to United Kingdom corporation tax and is resident, or ordinarily resident in the United Kingdom or a by a Noteholder who is not within the charge to United Kingdom corporation tax and is not resident or ordinarily resident in the United Kingdom but carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Note is attributable, may give rise to a charge to income tax in respect of an amount representing interest on the Note which has accrued since the preceding Interest Payment Date.

### Taxation of chargeable gains - Individual Noteholders

As the Notes are denominated in sterling, they should be regarded by HM Revenue & Customs as "qualifying corporate bonds" within the meaning of section 117 of the Taxation of Chargeable Gains Act 1992. Accordingly, a disposal (including a redemption) of Notes by an individual Noteholder who is resident or ordinarily resident in the United Kingdom or by an individual Noteholder who is not resident or ordinarily resident in the United Kingdom but carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable but in either case who is not within the charge to corporation tax, should not give rise to a chargeable gain or an allowable loss for the purposes of capital gains tax.

### Provision of information

Noteholders who are individuals may wish to note that HM Revenue & Customs has the power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays interest to or receives interest for the benefit of an individual. Information so obtained may, in certain circumstances, be exchanged by HM Revenue & Customs with the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.

#### **(C) United Kingdom Corporation Tax Payers**

In general, Noteholders that are within the charge to United Kingdom corporation tax will be treated as realising profits or losses (including interest, and profits and gains arising as a result of currency fluctuations) for corporation tax purposes in respect of their holding of the Notes (and amounts payable thereunder) in accordance with the statutory accounting treatment applicable to such Noteholder.

#### **(D) Stamp Duty and Stamp Duty Reserve Tax**

No United Kingdom stamp duty or stamp duty reserve tax is payable on the issue of the Notes or on the transfer of a Note.

#### **(E) EU Directive on the Taxation of Savings Income**

Under EC Council Directive 2003/48/EC on the taxation of savings income, each EU Member State is required, from 1 July 2005, to provide to the tax authorities of another EU Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other EU Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding tax system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

Also with effect from 1 July 2005, a number of non-EU countries and certain dependent or associated territories of certain EU Member States have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in an EU Member State. In addition, the EU Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in an EU Member State to, or collected by such a person for, an individual resident in one of those territories.

## SUBSCRIPTION AND SALE

### General

The Joint Lead Managers have, upon the terms and subject to the conditions contained in the Subscription Agreement, agreed to subscribe and pay for the Class A Notes and the Class B Notes (the "**Subscription Notes**") at their issue price of 100 per cent. of their respective Principal Amount.

In the Subscription Agreement the Issuer and the Seller have also agreed to reimburse the Joint Lead Managers for certain of their fees, costs and expenses incurred in connection with the management of the issue of the Subscription Notes. The Joint Lead Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Subscription Notes. The Issuer and the Seller have agreed to indemnify the Joint Lead Managers against certain liabilities in connection with the issue of the Subscription Notes.

The Class C Note Purchaser has agreed to purchase the Class C Notes pursuant to the Class C Note Purchase Agreement at their issue price of 100 per cent. of their respective Principal Amount.

The Class D Note Purchaser has agreed to purchase the Class D Notes pursuant to the Class D Note Purchase Agreement at their issue price of 100 per cent. of their respective Principal Amount.

### Selling Restrictions

#### *United States of America and its Territories*

Each of (i) the Joint Lead Managers have represented and agreed with the Issuer that the Subscription Notes, (ii) the Class C Note Purchaser has represented and agreed with the Issuer that the Class C Notes and (iii) the Class D Note Purchaser has represented and agreed with the Issuer that the Class D Notes, in each case, have not been and will not be registered under the Securities Act and include notes in bearer form and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act.

Securities in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meaning given to them by the U.S. Internal Revenue Code and regulations thereunder.

The Notes may not be offered, sold or delivered (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the Offering and the Closing Date, within the United States or to, or for the account or the benefit of, U.S. persons, and only in accordance with Rule 903 of Regulation S; accordingly, neither such Joint Lead Manager nor the Class C Note Purchaser nor the Class D Note Purchaser nor their respective Affiliates, as defined in Rule 501(B) of Regulation D under the Securities Act ("**Affiliates**") nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts (within the meaning of Regulation S) or general solicitation or general advertising (within the meaning of Rule 502(c) under the Securities Act), with respect to the Notes, and such Joint Lead Manager, the Class C Note Purchaser, the Class D Note Purchaser, their respective Affiliates and any such persons have complied and will comply with the offering restrictions requirement of Regulation S.

At or prior to confirmation of sales of the Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect: The Notes covered hereby have not been and will not be registered under the Securities Act and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, except in either case in accordance with Regulation S.

Conditions used in this Prospectus have the meaning given to them by Regulation S.

#### *United Kingdom*

In relation to (i) the Subscription Notes, each of the Joint Lead Managers has further represented to and agreed with the Issuer, (ii) in relation to the Class C Notes the Issuer and the Class C Note Purchaser has represented and agreed with each other, and (iii) in relation to the Class D Notes the Issuer and the Class D Note Purchaser have represented and agreed with each other, in each case, that:

- (a) they have only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity

(within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

- (b) they have 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.

#### *Ireland*

Each of (i) the Joint Lead Managers in relation to the Subscription Notes, (ii) the Class C Note Purchaser in relation to the Class C Notes and (iii) the Class D Note Purchaser in relation to the Class D Notes, has represented and agreed with the Issuer, in each case, that:

- (a) it has not underwritten the issue of, or placed the Notes, otherwise than in conformity with the provisions of S.I. No. 60 of 2007, European Communities (Markets in Financial Instruments) Regulations 2007 (MiFID Regulations), including, without limitation, Parts 6, 7, and 12 thereof and the provisions of the Investor Compensations Act 1998;
- (b) it has not underwritten the issue of, or placed, the Notes, otherwise than in conformity with the provisions of the Irish Central Bank Acts 1942 – 2004 (as amended) and any codes of conduct rules made under Section 117(1) thereof;
- (c) it has not and will not offer or sell any Notes, or placed, or do anything in Ireland in respect of the Notes otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 and any rules issued under Section 51 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005, by the Central Bank of Ireland;
- (d) it has not underwritten the issue of, placed or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued under Section 34 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland; and
- (e) it has only made offers in relation to the Notes if such offers have been consistent with those described in section 33(5) of the Irish Companies Act 1963 (as amended by the Investment Funds, Companies and Miscellaneous Provisions Act 2006).

#### *The Netherlands*

Each of (i) the Joint Lead Managers has represented and agreed with the Issuer that the Subscription Notes (including the rights representing an interest in a Global Note), (ii) the Class C Note Purchaser has represented and agreed with the Issuer that the Class C Notes (including the rights representing an interest in a Global Note) and (iii) the Class D Note Purchaser has represented and agreed with the Issuer that the Class D Notes (including the rights representing an interest in a Global Note), in each case, may not, directly or indirectly, be offered, sold, pledged, delivered or transferred to individuals or legal entities in The Netherlands as part of the initial distribution or at any time thereafter other than to an individual or legal entity who or which is both a 'Professional Market Party' (*professionele marktpartij*) and a 'Qualified Investor' (*gekwalificeerde belegger*), both within the meaning of section 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

#### *Germany*

Each (i) Joint Lead Manager, (ii) the Class C Note Purchaser and (iii) the Class D Note Purchaser has represented and agreed that it is aware of the fact that no German prospectus (*Prospekt*) within the meaning of the Securities Prospectus Act (*Wertpapierprospektgesetz*, the "*WpPG*") of the Federal Republic of Germany has been or will be published with respect to the Notes. Further, each Joint Lead Manager, the Class C Note Purchaser and the Class D Note Purchaser has represented and agreed that it has not engaged and has agreed that it will not engage in the public offering (*öffentliches Angebot*) (as such term is defined in the *WpPG*) of the Notes otherwise than in accordance with the *WpPG* and all other applicable legal and regulatory requirements.

#### *France*

Each of (i) the Joint Lead Managers has represented and agreed with the Issuer in respect of the Subscription Notes, (ii) the Class C Note Purchaser has represented and agreed with the Issuer in respect of the Class C Notes and (iii) the Class D Note Purchaser has represented and agreed with the Issuer in respect of the Class D Notes, in each case, that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in

France, and has not distributed or caused to be 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 that such offers, sales and distributions have been and shall only be made in France to (i) providers of investment services relating to portfolio management for the account of third parties, and/or (ii) qualified investors (*investisseurs qualifiés*) other than individuals, all as defined in, and in accordance with, articles L.411-1, L.411-2, D.411-1 of the French Code *monétaire et financier*.

This Prospectus prepared in connection with the Notes has not been submitted to the clearance procedures of the *Autorité des marchés financiers*.

#### *Switzerland*

Each of (i) the Joint Lead Managers has represented and agreed with the Issuer in respect of the Subscription Notes, (ii) the Class C Note Purchaser has represented and agreed with the Issuer in respect of the Class C Notes and (iii) the Class D Note Purchaser has represented and agreed with the Issuer in respect of the Class D Notes, in each case, that it has not offered or sold and will not offer or sell, directly or indirectly, the relevant Notes to the public in Switzerland, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in Switzerland, the prospectus or any other offering material relating to such Notes. The Notes may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or any other stock exchange or regulated trading facility in Switzerland. This prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 et seqq. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this prospectus nor any other offering or marketing material relating to the Notes or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

#### *Republic of Italy*

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation. Each of (i) the Joint Lead Managers has represented and agreed with the Issuer in respect of the Subscription Notes, (ii) the Class C Note Purchaser has represented and agreed with the Issuer in respect of the Class C Notes and (iii) the Class D Note Purchaser has represented and agreed with the Issuer in respect of the Class D Notes, in each case, that any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy will be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation. Any such offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 58 of 24 February 1998, CONSOB Regulation No. 16190 of 29 October 2007 and Legislative Decree No. 385 of 1 September 1993 (in each case as amended from time to time); and
- (b) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

#### *General*

Each of (i) the Joint Lead Managers has represented and agreed with the Issuer in respect of the Subscription Notes, (ii) the Class C Note Purchaser has represented and agreed with the Issuer in respect of the Class C Notes and (iii) the Class D Note Purchaser has represented and agreed with the Issuer in respect of the Class D Notes, in each case, that they 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 of its knowledge and belief result in compliance with the applicable laws and regulations thereof.

#### **Public Offer Selling Restrictions under the Prospectus Directive**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), (i) the Joint Lead Managers have represented and agreed with the Issuer in respect of the Subscription Notes, (ii) the Class C Note Purchaser has represented and agreed with the Issuer in respect of the Class C Notes and (iii) the Class D Note Purchaser has represented and agreed with the Issuer in respect of the Class D Notes, in each case, 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 which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000 and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (c) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- (d) 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 Joint Lead Managers 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 any 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 and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

#### **Public Offers Generally**

Save for applying for admission of the Notes to trading on the Irish Stock Exchange's regulated market, no action has been or will be taken in any jurisdiction by the Issuer, the Joint Lead Managers, the Class C Note Purchaser or the Class D Note Purchaser that would, or is intended to, 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.

#### **Investor Compliance**

Persons into whose hands this Prospectus comes are required by the Issuer and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

## GENERAL INFORMATION

1. The creation and issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated 25 March 2012.
2. The entry into the transaction set out in this Prospectus has been authorised by a resolution of the Board of Directors of the Seller dated 1 December 2011.
3. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. The expenses arising in relation to the admission to trading of the Notes on the Official List of the Irish Stock Exchange are expected to total £5,791.20.
4. Save as disclosed in this Prospectus, since the incorporation of the Issuer on 16 January 2012, there have been no governmental, legal or arbitration proceedings against or affecting the Issuer or any of its assets, nor is the Issuer aware of any pending or threatened proceedings.
5. Save as disclosed in this Prospectus, there has been no adverse change, or any development reasonably likely to involve an adverse change in the condition (financial or otherwise) or general affairs of the Issuer since 16 January 2012 (the date of its incorporation) that is material in the context of the issue of the Notes.
6. It is a condition of the issue of the Notes that:
  - (a) the Class A Notes are on issue rated AAAsf by Fitch and Aaa (sf) by Moody's;
  - (b) the Class B Notes are on issue rated Asf by Fitch and A1 (sf) by Moody's.

The Class C Notes and the Class D Notes will not be rated.

The ratings assigned by Fitch address (i) the payment of interest on the Class A Notes and the Class B Notes at the applicable rate of interest, in each case on each Payment Date or, should payment of interest be deferred pursuant to the Conditions, on or before the Final Maturity Date and (ii) the ultimate repayment of the Principal Amount Outstanding of the Senior Notes on or before the Final Maturity Date.

The ratings assigned by Moody's address (i) the timely payment of interest on the Class A Notes and (ii) the expected loss posed to investors in the Class A Notes and the Class B Notes by the Final Maturity Date.

7. This Prospectus makes reference to ratings assigned by both Fitch and Moody's. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Community and registered under Regulation (EC) 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**") unless the rating is provided by a credit rating agency operating in the European Community before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused. Both Fitch and Moody's are credit rating agencies registered under the CRA Regulation.
8. The Issuer shall procure that the Servicer shall produce a monthly Servicing Report no later than the 10<sup>th</sup> day of each calendar month, and that the Cash Manager shall produce an Investor Report no later than 2 Business Days prior to each Payment Date. Each Investor Report shall be freely available at <https://gctabsreporting.bnpparibas.com/index.jsp> and on Bloomberg.
9. The Issuer does not intend to provide any post-issuance information in relation to the Notes and the performance of the Purchased Receivables other than what is provided in the Investor Report.
10. None of the websites or the contents of such websites referenced within this Prospectus form part of the Prospectus.
11. For so long as any of the Notes are outstanding, copies of the following documents in physical form may be inspected during normal business hours and, upon written request, at the specified office of the Paying Agent and at the registered office of the Issuer:
  - (a) the Memorandum and Articles of Association of the Issuer;
  - (b) the Paying Agency Agreement;
  - (c) the Trust Deed;
  - (d) the Deed of Charge;



- (e) the Subscription Agreement;
  - (f) the Account Agreement;
  - (g) the Servicing Agreement;
  - (h) the Back-up Servicing Agreement;
  - (i) the Cash Management Agreement;
  - (j) the Class C Note Purchase Agreement;
  - (k) the Class D Note Purchase Agreement;
  - (l) the Corporate Services Agreement;
  - (m) the Collection Accounts Declaration of Trust;
  - (n) the Scottish Declaration of Trust;
  - (o) the Assignment in Security;
  - (p) the Swap Agreement;
  - (q) the Issuer-ICSDs Agreement; and
  - (r) the then current Investor Report.
12. For so long as any of the Notes are outstanding, a copy of the audited Financial Statements for the period since its incorporation may be obtained during normal business hours at the specified office of the Paying Agent. The first set of audited Financial Statements will be published in respect of the period from the date of incorporation of the Issuer to 30 June 2013 and every twelve months thereafter. These Financial Statements will be available at the specified office of the Paying Agent. It is not intended that any interim Financial Statements of the Issuer, audited or otherwise, will be prepared.
  13. In connection with the application for the Notes to be listed on the Irish Stock Exchange, copies of the Certificate of Incorporation and Memorandum and Articles of Association of the Issuer will be deposited prior to admission to trading with the Paying Agent, where they may be inspected and copies obtained upon request.
  14. According to Guideline 1.6 of the Irish Stock Exchange Listing and Admission to Trading - Guidelines for Asset Backed Debt, the Notes of each class shall be freely transferable.
  15. The language of this Prospectus is English. Any foreign language text is that is included with or within this Prospectus has been included for convenience purposes only and does not form part of this Prospectus.
  16. The Issuer's auditors are PricewaterhouseCoopers LLP whose office is located at One Kingsway, Cardiff, CF10 3PW.
  17. The Notes have been accepted for clearance by Euroclear and Clearstream, Luxembourg. The Common Code for the Class A Notes is 075747152 and the ISIN is XS0757471528, the Common Code for the Class B Notes is 075748426 and the ISIN is XS0757484265, the Common Code for the Class C Notes is 075748981 and the ISIN is XS0757489819, and, in respect of the Class D Notes, the Common Code is 075749732 and the ISIN is XS0757497325.

## GLOSSARY OF DEFINED TERMS

"**Account Agreement**" means the account agreement between the Issuer, the Cash Manager, the Account Bank and the Trustee governing the Accounts dated on or about the Closing Date.

"**Account Bank**" means BNP Paribas, London Branch.

"**Accounts**" means the Cash Reserve Account, the Issuer Account and the Swap Collateral Cash Account.

"**Accrued Interest**" means in respect of a Note, the interest which has accrued on that Note.

"**Additional Fitch Required Rating**" means, in connection with Fitch only, a long-term rating of "BBB-" and a short-term rating of "F3" with no Rating Watch Negative applicable to the Swap Counterparty's (or any credit support provider's) unsecured and unsubordinated debt obligations.

"**Administrator Recovery Incentive**" means any incentive fee, costs and/or expenses payable, pursuant to the Servicing Agreement, to an Insolvency Official of FRB London in relation to the sale of Financed Objects after any Insolvency Event of FRB London.

"**Affiliate**" means, in relation to any Person, any entity controlled, directly or indirectly by the Person, any entity that controls, directly or indirectly the Person or any entity directly or indirectly under common control with such Person (for this purpose, "control" of any entity of Person means ownership of a majority of the voting power of the entity or Person). For the purposes of this definition, with respect to the Issuer, "**Affiliate**" does not include the Corporate Services Provider or any entities which the Corporate Services Provider controls.

"**Agent Bank**" means BNP Paribas Securities Services, Luxembourg Branch.

"**Agents**" means the Agent Bank and the Paying Agent.

"**Aggregate Cut-Off Date Principal Balance**" means the Aggregate Principal Balance as of the Cut-Off Date, being £314,617,212.

"**Aggregate Principal Amount Outstanding**" means the aggregate of the Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

"**Aggregate Principal Balance**" means, as at a relevant date, the sum of the Principal Balance of all Purchased Receivables.

"**Ancillary Rights**" means, in relation to a Receivable, all remedies for enforcing the same including, for the avoidance of doubt and without limitation:

- (a) the right to demand, sue for, recover, receive and give receipts for all amounts due and to become due whether or not from Obligors or guarantors under or relating to the Financing Contract to which such Receivable relates and all guarantees (if any) (including, for the avoidance of doubt, any Enforcement Proceeds received by the Seller or its agents);
- (b) the benefit of all covenants and undertakings from Obligors and from guarantors under the Financing Contract to which such Receivable relates and under all guarantees (if any);
- (c) the benefit of all causes and rights of actions against Obligors and guarantors under and relating to the Financing Contract to which such Receivable relates and under and relating to all guarantees (if any);
- (d) the benefit of any other rights, title, interest, powers and benefits of the Seller into, under, pursuant to or in relation to such Financing Contract other than rights specifically relating to legal title to the Financed Object itself with such rights including, without limitation, the right of ownership; plus
- (e) any Insurance Proceeds received by the Seller or its agents pursuant to Insurance Claims in each case insofar as the same relate to the Financing Contract to which such Receivable relates.

"**Assignment in Security**" means the assignment in security to be granted by the Issuer in favour of the Trustee substantially in the form annexed to the Deed of Charge.

"**Available Distribution Amount**" in respect of a Payment Date, means the amount calculated on the relevant Calculation Date being the sum of the following amounts:

- (a) in the case of the first Payment Date falling on 21 May 2012, the Collections received from the Cut-Off Date until 30 April 2012 (inclusive) and, for all subsequent Payment Dates, the Collections received for the immediately preceding Monthly Period (or, in the event payment of principal is deferred pursuant to Condition 7.4 (Redemption and Cancellation - Mandatory Redemption in Part), the Collections received for the Monthly Period immediately preceding the Servicing Report Delivery Failure and each subsequent Monthly Period up to and including the Monthly Period immediately preceding the relevant Payment Date); plus
- (b) any amounts standing to the credit of the Cash Reserve Account on the relevant Calculation Date; plus
- (c) net investment earnings from Permitted Investments as calculated on the relevant Calculation Date; plus
- (d) any amounts standing to the credit of the Issuer Account on the relevant Calculation Date which represent interest accrued on such account; plus
- (e) the Net Swap Receipts under the Swap Agreement to be received by the Issuer on the relevant Payment Date; plus
- (f) in the case of the first Payment Date falling on 21 May 2012, any VAT Adjustment Amounts received from the Cut-Off Date until 30 April 2012 (inclusive) and, for all subsequent Payment Dates, any VAT Adjustment Amount received for the immediately preceding Monthly Period (or, in the event payment of principal is deferred pursuant to Condition 7.4 (Redemption and Cancellation - Mandatory Redemption in Part), any VAT Adjustment Amount received for the Monthly Period immediately preceding the Servicing Report Delivery Failure and each subsequent Monthly Period up to and including the Monthly Period immediately preceding the relevant Payment Date); less
- (g) where the payment of principal has been deferred pursuant to Condition 7.4 (Redemption and Cancellation - Mandatory Redemption in Part), any amounts received by the Issuer that have been applied by the Cash Manager towards payment of interest on the Most Senior Class Outstanding and any other amount ranking in priority thereto in accordance with the provisions of Condition 7.4 (Redemption and Cancellation - Mandatory Redemption in Part) within the period of such principal repayment deferral.

**"Back-up Servicer"** means Homeloan Management Limited.

**"Back-up Servicing Agreement"** means the back-up servicing agreement between the Back-up Servicer, the Issuer, the Seller and the Trustee dated on or about the Closing Date.

**"Basic Terms Modification"** means any modification of the terms of the relevant Class of Notes which relates to:

- (a) altering the Priority of Payments;
- (b) altering the date of maturity of the Notes of the relevant Class;
- (c) a modification which would have the effect of changing any day for payment of interest or any other distributions (as the case may be) in respect of such Notes;
- (d) changing the amount of principal or any other distributions (as the case may be) payable in respect of such Notes;
- (e) the alteration of the Class A Notes Interest Rate, the Class B Notes Interest Rate, the Class C Notes Interest Rate or the Class D Notes Interest Rate;
- (f) the alteration of the majority or quorum required to pass an Extraordinary Resolution;
- (g) the alteration of the currency of payment of such Notes; or
- (h) any alteration of the definition of Basic Terms Modification.

**"Business Day"** means any day which is a TARGET2 Day or, if such day is not a day on which banks are open for business in London and Luxembourg, the next succeeding TARGET2 Day on which banks are open for business in London and Luxembourg.

"**Calculation Date**" means, in relation to a Payment Date, the second Business Day prior to such Payment Date.

"**Cash Management Agreement**" means the cash management agreement between the Issuer, the Cash Manager and the Trustee dated on or about the Closing Date.

"**Cash Management Fee**" means the fee payable to the Cash Manager pursuant to the Cash Management Agreement.

"**Cash Manager**" means BNP Paribas Securities Services, Luxembourg Branch.

"**Cash Reserve Account**" means the account held in the name of the Issuer with the Account Bank, IBAN: GB 76 BNPA 2346 3582 2330 20.

"**Cash Reserve Amount**" means the outstanding balance of the Cash Reserve Account from time to time.

"**CCA**" means the Consumer Credit Act 1974, as amended by the Consumer Credit Act 2006 and associated secondary legislation.

"**Charged Transaction Documents**" means the Transaction Documents other than the Trust Deed, the Deed of Charge and the Assignment in Security.

"**Class**" or "**class**" means any of the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes.

"**Class A Margin**" means 1.40 per cent. per annum.

"**Class A Noteholders**" means the holders of the Class A Notes.

"**Class A Notes**" means the class A notes issued by the Issuer on the Closing Date with a total principal amount of £255,000,000 ranking senior to the Class B Notes, Class C Notes and Class D Notes with respect to the payment of interest and principal respectively.

"**Class A Notes Interest Amount**" has the meaning given to it in Condition 6.6 (*Interest - Interest Rates on the Notes*).

"**Class A Notes Interest Rate**" means one-month LIBOR for Sterling deposits (or, in the case of the first Interest Period from (and including) the Closing Date to (but excluding) the Payment Date falling on 21 May 2012 an interpolation of the LIBOR for 1 and 2 month Sterling deposits) plus the Class A Margin.

"**Class A Principal Payment Amount**" means, at each Calculation Date, an amount equal to the lesser of (a) the Principal Amortisation Amount and (b) the then Principal Amount Outstanding of the Class A Notes.

"**Class B Noteholders**" means the holders of the Class B Notes.

"**Class B Notes**" means the class B notes issued by the Issuer on the Closing Date with a total principal amount of £38,000,000 ranking junior to the Class A Notes and senior to the Class C Notes and Class D Notes with respect to the payment of interest and principal respectively.

"**Class B Notes Interest Amount**" has the meaning given to it by Condition 6.6 (*Interest - Interest Rates on the Notes*).

"**Class B Notes Interest Rate**" means 5.5 per cent. per annum.

"**Class B Note Trigger**" will have been breached on any Payment Date occurring before the Class A Notes have been repaid in full if either:

- (a) the Cumulative Net Default Ratio, as at the immediately preceding Calculation Date, expressed as a percentage, is, or, on any previous Calculation Date, has been, equal to or higher than 15 per cent.; or
- (b) the Delinquency Ratio, as at the immediately preceding Calculation Date, expressed as a percentage is equal to or higher than 15 per cent.

"**Class B Principal Payment Amount**" means, as at each Calculation Date, an amount equal to the lesser of (a) the Principal Amortisation Amount less (x) any Class A Principal Payment Amounts to be paid on the immediately following Payment Date and (y) any amount payable under item (xii) of the

Pre-Enforcement Order of Priority and (b) the then Principal Amount Outstanding of the Class B Notes.

"**Class C Noteholders**" means the holders of the Class C Notes.

"**Class C Note Purchase Agreement**" means the note purchase agreement with respect to the Class C Notes entered into between the Issuer and the Class C Note Purchaser.

"**Class C Note Purchaser**" means FirstRand International Limited.

"**Class C Notes**" means the class C notes issued by the Issuer on the Closing Date with a total principal amount of £21,617,000 ranking junior to the Class A Notes and Class B Notes and senior to the Class D Notes with respect to the payment of interest and principal respectively.

"**Class C Notes Interest Amount**" has the meaning given to it by Condition 6.6 (*Interest - Interest Rates on the Notes*).

"**Class C Notes Interest Rate**" means 15 per cent. per annum.

"**Class C Note Trigger**" will have been breached on any Payment Date occurring before the Class B Notes have been repaid in full if either:

- (a) the Cumulative Net Default Ratio, as at the immediately preceding Calculation Date, expressed as a percentage, is or, on any previous Calculation Date, has been, equal to or higher than 5 per cent.; or
- (b) the Delinquency Ratio, as at the immediately preceding Calculation Date, expressed as a percentage is equal to or higher than 5 per cent.

"**Class C Principal Payment Amount**" means, as at each Calculation Date, an amount equal to the lesser of (a) the Principal Amortisation Amount less (x) any Class A Principal Payment Amounts and Class B Principal Payment Amounts to be paid on the immediately following Payment Date and (y) any amounts payable under items (xii) and (xiv) of the Pre-Enforcement Order of Priority and (b) the then Principal Amount Outstanding of the Class C Notes.

"**Class D Noteholders**" means the holders of the Class D Notes.

"**Class D Note Purchase Agreement**" means the note purchase agreement with respect to the Class D Notes entered into between the Issuer and the Class D Note Purchaser.

"**Class D Note Purchaser**" means FirstRand International Limited.

"**Class D Notes**" means the class D notes issued by the Issuer on the Closing Date with a total principal amount of £5,130,000 ranking junior to the Class A Notes, the Class B Notes and the Class C Notes with respect to the payment of interest and principal respectively.

"**Class D Notes Interest Amount**" has the meaning given to it by Condition 6.6 (*Interest - Interest Rates on the Notes*).

"**Class D Notes Interest Rate**" means 20 per cent. per annum.

"**Clean-Up Call**" means the option of the Issuer to sell the Purchased Receivables for the Clean-Up Call Settlement Amount at any time after the Aggregate Principal Balance is less than 10 per cent. of the Aggregate Cut-Off Date Principal Balance provided that the conditions set out in Condition 7.3 (*Redemption and Cancellation - Optional Redemption in Whole*) for redemption of the Notes are satisfied.

"**Clean-Up Call Settlement Amount**" means an amount equal to the Principal Balance of all Purchased Receivables which would have become due if the Clean-Up Call had not occurred, calculated using the Financing Contract Rate on the basis of one year of 360 days being equivalent to 12 months, each month consisting of 30 days and taking into account the risk of losses, if any, in order to reach a fair market value.

"**Clearstream, Luxembourg**" means the Clearstream, Luxembourg clearance system for internationally traded securities operated by Clearstream Banking, *société anonyme*, and any successor thereto.

"**Closing Date**" means 29 March 2012.

**"Collection Accounts"** means such accounts held at Lloyds TSB Bank plc in the name of the Servicer for the deposit of Collections.

**"Collection Accounts Declaration of Trust"** means the trust over the Collection Accounts made by the Seller in favour of the Issuer over monies standing to the credit of the Collection Accounts which are attributable to Collections relating to Purchased Receivables.

**"Collections"** means (i) all cash collections received by the Servicer in respect of Purchased Receivables including, without limitation, excess mileage charges, any amounts payable by an Obligor in respect of refurbishment charges, wear-and-tear and other similar types of charges, charges payable as a result of a late payment under a Financing Contract, fees for any extension of the term of a Financing Contract, any other administrative fees payable under a Financing Contract including any capitalised fees and capitalised interest, Enforcement Proceeds, Insurance Proceeds and the VAT Component on payments received by the Servicer and (ii) Repurchase Amounts and any other amounts payable to the Issuer on the purchase of Receivables pursuant to the Clean-Up Call and any payment received by the Issuer pursuant to Clause 10 of the Receivables Purchase Agreement.

**"Common Safekeeper"** means BNP Paribas Securities Services, Luxembourg Branch.

**"Conditions"** means the terms and conditions to be endorsed on the Notes in, or substantially in, the form set out in this Prospectus and the Trust Deed as any of the same may from time to time be modified in accordance with the Trust Deed.

**"Corporate Services Agreement"** means the corporate services agreement entered into by the Issuer, the Trustee and the Corporate Services Provider on or about the Signing Date.

**"Corporate Services Provider"** means Structured Finance Management Limited.

**"Couponholders"** means the holders for the time being of the Coupons appertaining to the Notes.

**"Coupons"** means the coupons appertaining to the Notes.

**"CRD"** means the Capital Requirements Directive comprising Directive 2006/48/EC and Directive 2006/49/EC, formally adopted by the Council and the European Parliament on 14 June 2006, and implemented in the UK on 1 January 2007, as may be amended or superseded from time to time.

**"Cumulative Net Default Ratio"** means, on any Calculation Date, the ratio, expressed as a percentage (rounded downwards to two decimal places) of:

(a) the Principal Loss as at the end of the Monthly Period immediately preceding such Calculation Date;

to

(b) the Aggregate Cut-Off Date Principal Balance.

**"Cure Period"** means the period until the end of the Monthly Period, which includes the thirtieth (30th) day (or, if the Seller elects an earlier date) after the date that the Seller became aware or was notified of a breach of any of the warranties set forth at the Cut-Off Date or Purchase Date (as applicable) which the Seller has to cure or correct such breach.

**"Customary Operating Practices"** means the normal operating policies and practices in respect of the origination, management, administration and collection of receivables adopted by the Servicer from time to time with respect to hire purchase contracts entered into by FRB London.

**"Cut-Off Date"** means 29 February 2012.

**"Cut-Off Pool"** means all of the Receivables comprising the pool of Receivables, as of the Cut-Off Date.

**"Declaration of Trust"** means the declaration of trust dated 17 January 2012 made by the Share Trustee.

**"Deed of Charge"** means the deed of charge dated on or about the Closing Date and entered into by, *inter alios*, the Issuer and the Trustee and includes any further or supplemental deed or charge or security granted pursuant thereto.

**"Defaulted Receivable"** means any Purchased Receivable in respect of which (a) recovery proceedings have been commenced by the Servicer and/or (b) the relevant Obligor has missed more than three consecutive scheduled monthly payments.

**"Deferred Purchase Price"** means any amount of deferred purchase price payable to the Seller pursuant to Clause 4 of the Receivables Purchase Agreement.

**"Definitive Notes"** means the Notes issued in definitive bearer form.

**"Delinquency Ratio"** means, on any Calculation Date, the ratio, expressed as a percentage (rounded downwards to two decimal places) of:

(a) the aggregate Principal Balance of each Delinquent Receivable as at the end of the Monthly Period immediately preceding such Calculation Date;

to

(b) the Performing Principal Outstanding Amount of the Loans as calculated on such Calculation Date.

**"Delinquent Receivable"** means any Purchased Receivable which (a) is more than 30 days overdue for an amount greater than £70.00 and (b) is not a Defaulted Receivable.

**"Encumbrance"** means any mortgage, sub-mortgage, security assignment or assignment, standard security, charge, sub-charge, pledge, lien, right of set-off or other encumbrance or security interest of any kind, however created or arising, including anything analogous to any of the foregoing under the laws of any jurisdiction.

**"Enforcement Event"** means any of the following events:

- (a) *Non-payment*: the Issuer fails to pay any amount of principal or interest (other than (i) any interest which falls to be deferred pursuant to Condition 6.3 (*Interest - Payment Dates and Interest Periods*)) in respect of the Notes (excluding the Most Senior Class Outstanding), or (ii) any principal which falls to be deferred pursuant to Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*), within two Business Days after the due date for payment thereof; or
- (b) *Breach of other obligations*: the Issuer defaults in the performance or observance of any other obligation, condition, provision, representation or warranty binding upon or made by it under or in respect of the Notes, the Conditions or any Transaction Document (other than any obligation whose breach would give rise to the Enforcement Event provided for in Condition 10.1(a) (*Enforcement Events*)) and such default (A) is, in the opinion of the Trustee, incapable of remedy or (B) is, in the opinion of the Trustee, capable of remedy but remains unremedied for 30 days or such longer period as the Trustee may agree after the Trustee has given written notice thereof to the Issuer; or
- (c) *Insolvency*: an Insolvency Event occurs with respect to the Issuer; or
- (d) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes, the Conditions, the Trust Deed or any other Transaction Document,

provided that in the case of the occurrence of any of the events mentioned in paragraph (b) above, the Trustee shall have certified in writing that the happening of such event is in its opinion materially prejudicial to the interests of the Most Senior Class Outstanding.

**"Enforcement Notice"** means a notice given by the Trustee to the Issuer following the occurrence of an Enforcement Event declaring the Notes immediately due and payable.

**"Enforcement Proceeds"** means the gross proceeds from the realisation of Financed Objects in respect of Purchased Receivables and from the enforcement of any other Ancillary Rights.

**"EU"** means the European Union.

**"EU Member State"** means, as the context may require, a member state of the European Union or of the European Economic Area.

**"Euroclear"** means Euroclear Bank S.A./N.V. and any successor thereto.

**"Expected Amortisation Amount"** means, as calculated on each Calculation Date, the difference, if positive, between the aggregate Principal Amount Outstanding of all Notes as at that Calculation Date and the aggregate of (a) the Performing Principal Outstanding Amount of the Loans as calculated on

the relevant Calculation Date and (b) the Specified Cash Reserve Account Required Balance applicable to the immediately following Payment Date.

**"Extraordinary Resolution"** means either a resolution (i) passed at a meeting of the relevant class of Noteholders duly convened and held in accordance with the provisions contained in the Trust Deed by a majority consisting of not less than 75 per cent. of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than 75 per cent. of the votes given on such poll or (ii) in writing in accordance with the provisions of paragraph 22 of schedule 5 to the Trust Deed.

**"Final Discharge Date"** means the date on which the Trustee is satisfied that all the Secured Obligations have been paid or discharged in full.

**"Final Maturity Date"** means the Payment Date falling in February 2019.

**"Financed Objects"** means the motor vehicles referred to in the Financing Contracts and financed pursuant thereto.

**"Financial Statements"** means the published financial statements of the Issuer.

**"Financing Contract"** means each hire purchase agreement entered into between an Obligor and FRB London in the form of standard business terms or otherwise pursuant to which FRB London has provided finance to an Obligor where the final payment due by the Obligor under such contract is not substantially greater than the previous payments due thereunder.

**"Financing Contract Rate"** means, for each Purchased Receivable, the rate set out in the relevant Financing Contract for the Purchased Receivable.

**"Fitch"** means Fitch Ratings Ltd, or any successor to its rating business.

**"FRB London"** means FirstRand Bank Limited acting through its London Branch.

**"FRB Group"** means FirstRand Limited together with its subsidiaries and subsidiary undertakings.

**"FSA"** means the Financial Services Authority.

**"FSMA"** means the United Kingdom Financial Services and Markets Act 2000.

**"Global Note"** means each of the Temporary Global Note and the Permanent Global Note.

**"Glossary of Defined Terms"** means this glossary of defined terms.

**"HML"** means Homeloan Management Limited.

**"HML's IT Service Provider"** means Pan Credit or any other entity replacing Pan Credit in its capacity as provider of IT solutions to the Back-up Servicer.

**"ICSDs"** means International Central Securities Depositories, being each of Euroclear and Clearstream, Luxembourg.

**"Initial Cash Reserve Amount"** means £5,130,000.

**"Insolvency Act"** means the Insolvency Act 1986.

**"Insolvency Event"**, in respect of a company, means:

- (a) such company is or becomes or is declared to be insolvent or unable to pay its debts or suspends or threatens to suspend making payments (whether of principal or interest) with respect to all or any class of its debts;
- (b) the value of the assets of such company is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;
- (c) a moratorium is declared in respect of any indebtedness of such company;
- (d) the commencement of negotiations with one or more creditors of such company with a view to a general readjustment, rescheduling or deferral of any indebtedness of such company or proposal to commence such negotiations;
- (e) any corporate action, legal proceedings or other procedure or step is taken (whether out of court or otherwise) in relation to:



- (i) the liquidation, administration, custodian/guardianship, winding-up or dissolution (and, in each case, whether provisional or final) of such company or its estate, or the authorisation of the commencement of business rescue proceedings in respect of such company;
  - (ii) the appointment of an Insolvency Official (excluding, in the case of the Issuer, the Trustee) in relation to the Issuer or in relation to the whole or any part of the undertaking of the company or the relevant company requests the appointment of such Insolvency Official;
  - (iii) an encumbrancer (excluding, in the case of the Issuer, the Trustee) taking possession of the whole or any part of the undertaking or assets of such company;
  - (iv) the making of an arrangement, composition or compromise (whether by way of voluntary arrangement, scheme of arrangement or otherwise) with any creditors (or any class of creditors) of such company, a reorganisation of such company, a conveyance to or assignment for the benefit of creditors of such company (or any class of creditors) or the making of an application to a court of competent jurisdiction for protection from the creditors or such company (or any class of creditors);
  - (v) any act which, if such act was committed by an individual, would be any act of insolvency under the applicable insolvency legislation of the relevant jurisdiction to which such company is subject; and
  - (vi) any analogous procedure or step is taken in any jurisdiction; or
- (f) any distress, execution, diligence, attachment or other process being levied or enforced or imposed upon or against the whole or any material part of the undertakings or assets of such company (excluding in the case of the Issuer, by the Trustee) and such order, appointment, possession or process (as the case may be) not being discharged or otherwise ceasing to apply within 30 days.

**"Insolvency Official"** means, in respect of any company, a liquidator, provisional liquidator, administrator (whether appointed by the court or otherwise), administrative receiver, receiver or manager, nominee, supervisor, trustee in bankruptcy, conservator, guardian, business rescue practitioner, the Viscount or other similar official in respect of such company or in respect of all (or substantially all) of the company's assets or in respect of any arrangement or composition with creditors or any equivalent or analogous officer under the law of any jurisdiction.

**"Insurance Claims"** means any claims against any car insurer in relation to any damaged or stolen Financed Object and any claims made under any GAP or PPI insurance contracts entered into by the Obligors in connection with the Financing Contracts.

**"Insurance Proceeds"** means any proceeds or monetary benefit in respect of any Insurance Claims.

**"Interest Amount"** has the meaning set out in Condition 6.6 (*Interest - Interest Rates on the Notes*).

**"Interest Period"** means:

- (a) in respect of the first Payment Date, the period commencing on (and including) the Closing Date and ending on (but excluding) the Payment Date falling on 21 May 2012; and
- (b) in respect of any subsequent Payment Date, the period commencing on (and including) the preceding Payment Date and ending on the calendar day preceding (but excluding) the relevant Payment Date.

**"Interest Shortfall"** means the Accrued Interest that is not paid on a Note on the Payment Date related to the relevant Interest Period in which it accrued.

**"Investor Report"** means the report so named to be prepared by the Cash Manager setting out details of, amongst other things, payments on the Purchased Receivables and the Notes.

**"ISIN"** means the international securities identification number pursuant to the ISO - 6166 Standard.

**"ISO"** means the International Organisation for Standardization.

**"Issuer"** means TURBO FINANCE 2 PLC.

**"Issuer Account"** means the account held in the name of the Issuer with the Account Bank, IBAN: GB 55 BNPA 2346 3582 2330 10.

**"Issuer Covenants"** means the covenants of the Issuer as set out in Schedule 5 of the Master Framework Agreement.

**"Issuer-ICSDs Agreement"** means the agreement dated on about the Closing Date between the Issuer and the ICSDs.

**"Issuer Retained Profit"** means an amount of £750 per annum. retained by the Issuer in accordance with the Priority of Payments.

**"Issuer Security"** means the security created over the assets of the Issuer in favour of the Trustee pursuant to the provisions of the Deed of Charge and the Assignment in Security.

**"Joint Arrangers"** means BNP Paribas, London Branch and UBS Limited.

**"Joint Bookrunners"** means BNP Paribas, London Branch and UBS Limited.

**"Joint Lead Managers"** means BNP Paribas, London Branch, UBS Limited and FRB London.

**"LIBOR"** means the London Interbank Offered Rate.

**"LIBOR Determination Date"** means, in respect of the first Interest Period, the Closing Date and, in respect of each subsequent Interest Period, the Payment Date on which the relevant Interest Period commences.

**"LIBOR Screen Rate"** means the display designated as the British Bankers' Association's Interest Settlement Rate as quoted on page LIBOR01 of the Reuters screen service.

**"Listing Agent"** means BNP Paribas Securities Services, Luxembourg Branch.

**"Master Framework Agreement"** means the master framework agreement entered into between the Issuer and the Trustee and dated on or about the Closing Date.

**"Material Adverse Effect"** means, as the context may require:

- (a) a material adverse effect on the validity or enforceability of any of the Transaction Documents; or
- (b) in respect of a Transaction Party, a material adverse effect on:
  - (i) the business, operations, assets property, condition (financial or otherwise) or prospects of such Transaction Party; or
  - (ii) the ability of such Transaction Party to perform its obligations under any of the Transaction Documents; or
  - (iii) the rights or remedies of such Transaction Party under any of the Transaction Documents.

**"Month-end Aggregate Defaulted Receivables"** means, as calculated on each Calculation Date, the Aggregate Principal Balance of all Purchased Receivables that (i) have become Defaulted Receivables since the Cut-Off Date and (ii) remain Defaulted Receivables as at the end of the Monthly Period immediately preceding the relevant Calculation Date.

**"Monthly Period"** means the calendar month immediately prior to each Payment Date.

**"Moody's"** means Moody's Investors Service Inc., or any successor to its rating business.

**"Most Senior Class Outstanding"** means the Class A Notes while they remain outstanding and thereafter the Class B Notes while they remain outstanding and thereafter the Class C Notes while they remain outstanding and thereafter the Class D Notes while they remain outstanding.

**"Net Swap Payments"** means for the Swap Agreement, the net amounts with respect to regularly scheduled payments owed by the Issuer to the Swap Counterparty, if any, on any Payment Date, including any interest accrued thereon, under the Swap Agreement, excluding Swap Termination Payments and any other amounts payable to the Swap Counterparty under the Swap Agreement.

**"Net Swap Receipts"** means the net amount received from the Swap Counterparty by the Issuer in relation to the Swap Agreement, excluding (i) any Swap Termination Payments and (ii) until the termination of the Swap Agreement, any amounts posted as collateral by the Swap Counterparty

(excluding, for the avoidance of doubt, any amounts of collateral to be returned to the Swap Counterparty on the termination of the Swap Agreement in accordance with the terms of such Swap Agreement).

**"Non-Conforming Receivable"** means each Purchased Receivable in respect of which any representation or warranty set out in Schedule 3 to the Receivables Purchase Agreement proves to have been incorrect in accordance with Clause 9.1(c) of the Receivables Purchase Agreement and has not been remedied by the Seller pursuant to the terms of Clause 9.1(c) of the Receivables Purchase Agreement.

**"Noteholders"** means the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders.

**"Note Principal Payment"** has the meaning given to it by Condition 7.6 (*Redemption and Cancellation - Note Principal Payment*).

**"Notes"** means the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes collectively.

**"Notification Event"** means the occurrence of any of the following events:

- (a) *Non-Payment*: FRB London fails to pay any amount due under any Transaction Documents within three Business Days after the earlier of its becoming aware of such default and its receipt of written notice by or on behalf of the Trustee requiring the same to be remedied;
- (b) *Attachment*: all or any part of the property, business, undertakings, assets or revenues of FRB London having an aggregate value in excess of £10 million has been attached as a result of any distress, execution or diligence being levied or any encumbrance taking possession or similar attachment and such attachment has not been lifted within 30 days, unless in any such case the Trustee certifies that in its reasonable opinion such event will not materially prejudice the ability of FRB London to observe or perform its obligations under the Transaction Documents or the enforceability or collectability of the Receivables;
- (c) *Insolvency Event*: an Insolvency Event, in respect of the Seller or the Servicer;
- (d) *Encumbrance*: FRB London creates or grants any Encumbrance or permits any Encumbrance to arise or purports to create or grant any Encumbrance or purports to permit any Encumbrance to arise (i) over or in relation to (1) any Purchased Receivable; (2) any right, title or interest of the Issuer in relation to a Purchased Receivable or Collections; or (3) any proceeds of or sums received or payable in respect of a Purchased Receivable;
- (e) *Dispute*: FRB London disputes, in any manner, the validity or efficacy of any sale and purchase of a Receivable under the Receivables Purchase Agreement and as a result, in the reasonable opinion of the Trustee, there is, or is likely to be, a Material Adverse Effect on the ability of FRB London to perform its obligations under the Transaction Documents or the enforceability, collectability or origination of the Purchased Receivables is or is likely to be materially prejudiced;
- (f) *Illegality*: it becomes impossible or unlawful for FRB London to continue its business and/or discharge its obligations as contemplated by the Transaction Documents and as a result, in the reasonable opinion of the Trustee, there is, or is likely to be, a Material Adverse Effect on the ability of FRB London to perform its obligations under the Transaction Documents or the enforceability, collectability or origination of the Purchased Receivables is or is likely to be materially prejudiced;
- (g) *Failure to repurchase*: FRB London fails to (i) repurchase a Non-Conforming Receivable having become obliged to do so pursuant to Clause 9 of the Receivables Purchase Agreement or (ii) pay any amount required pursuant to Clause 10 of the Receivables Purchase Agreement;
- (h) *Servicer Replacement Event*: a Servicer Replacement Event.

**"Obligor"** means, in respect of a Receivable, a Person (including consumers and businesses) obliged to make payments under a Financing Contract.

**"Offering"** means the offering in connection with the Prospectus.

**"Pan Credit"** means pancredit Systems Limited, pancredit House, 12 Moorfield Close, Yeadon, Leeds, LS19 7YA United Kingdom.

**"Paying Agency Agreement"** means the paying agency agreement entered into by the Issuer, the Trustee and the Agents on or about the Closing Date.

**"Paying Agent"** means BNP Paribas Securities Services, Luxembourg Branch.

**"Payment Date"** means, in respect of the first such Payment Date, 21 May 2012, and in respect of any subsequent Payment Date, the 20<sup>th</sup> of each calendar month, or, in the event such day is not a Business Day, then on the next following Business Day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day.

**"Performance Criteria"** to be satisfied on each Calculation Date are as follows:

- (a) on such Calculation Date, the amount standing to the credit of the Cash Reserve Account after the Available Distribution Amount was applied pursuant to the Pre-Enforcement Order of Priority on the immediately preceding Payment Date is equivalent to the Specified Cash Reserve Account Required Balance applicable to that immediately preceding Payment Date;
- (b) on such Calculation Date, the Cumulative Net Default Ratio is less than 5.00 per cent.; and
- (c) on such Calculation Date, the Delinquency Ratio is less than 5.00 per cent.

**"Performing Principal Outstanding Amount of the Loans"** means, as calculated on each Calculation Date, the Aggregate Principal Balance of all Purchased Receivables less the Month-end Aggregate Defaulted Receivables, in each case as at the end of the Monthly Period immediately preceding the relevant Calculation Date.

**"Permanent Global Note"** means in respect of each Class of Notes the permanent global bearer notes without Coupons attached representing each such Class as more specifically described in Condition 2 (*Form, Denomination and Title*).

**"Permitted Investments"** means any amount standing to the credit of the Issuer Account and the Cash Reserve Account invested by the Cash Manager (acting on the instructions of the Servicer on behalf of the Issuer), provided that:

- (a) in the opinion of the Servicer, the rate of interest earned on such investments is likely to exceed the rate of interest paid on the relevant account; and
- (b) the Permitted Investments have a maturity date of 30 days or less and mature on or before the Calculation Date immediately succeeding the date on which the investments are made; and
- (c) the investments are sterling gilt-edged securities or sterling demand or time deposits, certificates of deposit or short-term debt obligations (including commercial paper); and
- (d)
  - (i) only prior to the redemption in full of the Class A Notes, the relevant investments are rated at least (a) in the case of investments where the residual maturity is up to 30 calendar days, A or F1 by Fitch, (b) in the case of investments where the residual maturity of the relevant investments is from 31 to 365 calendar days, AA- or F1+ by Fitch or (c) in the case of investments where the residual maturity exceeds 365 calendar days or if Fitch's rating of the Class A Notes is lower than AA-sf, a rating commensurate with the then current rating of the Class A Notes, provided that where Fitch has placed the rating of an investment of 'Rating Watch Negative', the rating of the investment shall be considered to have been lowered by one notch; or
  - (ii) only prior to the redemption in full of the Class A Notes, the relevant investments are rated at least P-1 by Moody's; and
- (e) the Permitted Investments may only be made in securities eligible in the ICSDs and held by the Cash Manager as custodian.

**"Person"** means an individual, partnership, corporation (including a business trust), unincorporated association, trust, joint stock company, limited liability company, joint venture or other entity, or a government or political subdivision, agency or instrumentality thereof.

**"Portfolio"** means the aggregate of all Purchased Receivables.

**"Post-Enforcement Order of Priority"** means the priority of payments described in Condition 11.3 (*Enforcement - Post-Enforcement Order of Priority*) of the Conditions.

**"Pre-Enforcement Order of Priority"** means the priority of payments described in Condition 8.8 (*Payments - Pre-Enforcement Order of Priority*) of the Conditions.

**"Prepayment"** means the repayment in full or in part of a Purchased Receivable by the relevant Obligor prior to the scheduled termination date of the relevant Financing Contract.

**"Principal Amortisation Amount"** means the lower of:

- a) the Available Distribution Amount as at the Calculation Date immediately preceding the relevant Payment Date less, to the extent the Pre-Enforcement Order of Priority applies, all amounts falling due and payable under items (i) to (x) as the case may be of the Pre-Enforcement Order of Priority on such Payment Date; and
- b) the greater of (i) zero and (ii) the Expected Amortisation Amount.

**"Principal Amount"** means, in relation to the Notes of the relevant class, the original principal amount of the Notes of such class on issuance.

**"Principal Amount Outstanding"** means, in relation to the Notes of the relevant class, the Principal Amount less the aggregate of any principal repayments in respect of the Notes of such class made in accordance with the Conditions.

**"Principal Balance"** in respect of a Purchased Receivable (or any other Receivable, as the context may require), as at a relevant date, means the principal amount outstanding (excluding, for the avoidance of doubt, any capitalised fees and/or capitalised interest) of that Purchased Receivable (or any other Receivable, as the case may be) as at the Cut-Off Date less the aggregate principal repayments or reductions, as applicable, in respect of that Purchased Receivable (or any other Receivable, as the case may be) already made as at such relevant date (since the Cut-Off Date) including by way of (i) payments by or on behalf of the relevant Obligor(s), (ii) application of the proceeds from the sale of the relevant motor vehicle and/or (iii) a write-off in respect of the relevant Financing Contract.

**"Principal Loss"** means, as at a relevant date:

- a) the aggregate of:
  - (i) the Principal Balance of each Purchased Receivable that has become a Defaulted Receivable (as determined at the point at which such Purchased Receivable became a Defaulted Receivable); and
  - (ii) the portion remaining unpaid by an Obligor of the Principal Balance of each Purchased Receivable where a Voluntary Termination has been exercised (as determined at the point at which such Voluntary Termination is exercised),

in each case, since the Cut-Off Date, less

- b) any amounts received as a result of recovery procedures carried out by the Servicer in relation to Defaulted Receivables and Voluntary Terminations for the same period.

**"Priority of Payments"** means the Pre-Enforcement Order of Priority and the Post-Enforcement Order of Priority.

**"Prospectus"** means this prospectus prepared in connection with the issue by the Issuer of the Notes.

**"Prospectus Directive"** means Directive 2003/71/EC including, where the context requires, Commission Regulation (EC) No. 809/2004 and any relevant implementing measure in each relevant Member State of the European Economic Area.

**"Provisional Payments Report"** means the payment report prepared by the Cash Manager pursuant to Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*).

**"Purchase Date"** means the Closing Date.

**"Purchase Price"** means, in respect of the Purchased Receivables, (a) an amount equal to the Aggregate Cut-Off Date Principal Balance and (b) any amount of Deferred Purchase Price paid to the Seller by the Issuer pursuant to the Priority of Payments.

**"Purchased Receivables"** means, on any date, the Receivables comprising the Cut-Off Pool purchased by the Issuer from the Seller on the Purchase Date in accordance with the Receivables Purchase Agreement excluding each such Receivable which (a) has, as of the relevant date, been re-purchased by the Seller pursuant to clause 8 of the Receivables Purchase Agreement or (b) has never existed and for which the Seller has paid to the Issuer as of the relevant date an amount equal to the deemed amount of the Principal Balance of such non-existent Receivable pursuant to clause 9 of the Receivables Purchase Agreement.

**"Purchased Receivable Records"** means the original and/or any copies of the Financing Contracts and all documents, books, records and information, in whatever form or medium, relating to the Financing Contracts, including all computer tapes and discs specifying, among other things, Obligor details, the amount and dates on which payments are due and are paid under the Financing Contracts, which are from time to time maintained by the Servicer or the Seller with respect to the Purchased Receivables and/or the related Obligors.

**"Rating Agencies"** means Fitch and Moody's.

**"Receivables"** means any amount which is due under a Financing Contract owed to the Seller by an Obligor including, for the avoidance of doubt but without limitation, the Ancillary Rights relating to such Receivable.

**"Receivables Purchase Agreement"** means the document entitled "Receivables Purchase Agreement" and entered into between the Issuer, the Seller and the Trustee dated on or about the Closing Date.

**"Receiver"** or **"receiver"** means any receiver or administrative receiver who (in the case of an administrative receiver) is a qualified person in accordance with the Insolvency Act and who is appointed by the Trustee under the Deed of Charge in respect of the Issuer Security and includes more than one such receiver and any substituted receiver.

**"Reference Banks"** means (i) the banks named as such in Condition 6.4 (*Interest - Interest Rates on the Notes*), or (ii) such other banks as may (with the prior written approval of the Trustee) from time to time be appointed as such by the Issuer in accordance with the Conditions.

**"Regulated Financing Contracts"** means a Financing Contract which is regulated by the CCA.

**"Regulation S"** means Regulation S under the Securities Act.

**"Relevant Date"** means, in respect of any Notes, the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after the date on which notice is duly given to the Noteholders in accordance with Condition 17 (*Notices to Noteholders*) that, upon further presentation of the Notes being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

**"Repurchase Amount"** means the amount payable by the Seller to the Issuer pursuant to the Receivables Purchase Agreement in relation to Non-Conforming Receivables which amount shall be the Principal Balance of the relevant Receivables together with any interest that has accrued as of the relevant Repurchase Date.

**"Repurchase Date"** means any date on which Receivables are repurchased by the Seller following a Repurchase Event.

**"Repurchase Event"** means the retransfer of a Non-Conforming Receivable pursuant to the terms of the Receivables Purchase Agreement.

**"Required Rating"** means:

- a) in relation to Moody's, where the relevant entity has a rating assigned by Moody's under its short-term rating scale, a short-term rating of "Prime-1" and a long-term rating of "A2" or above or, if there is no short-term rating, a long-term rating of "A1" or above; and
- b) in relation to Fitch:
  - (i) in the event the Class A Notes are assigned a rating of "AA-" or above by Fitch, a long-term rating of "A" and a short-term rating of "F1" with no Rating Watch Negative, in each case applicable to the Swap Counterparty's (or any credit support provider's) unsecured and unsubordinated debt obligations.

- (ii) in the event the Class A Notes are assigned a rating of "A+" or below by Fitch, a long-term rating of "BBB+" and a short-term rating of "F2" with no Rating Watch Negative, in each case applicable to the Swap Counterparty's (or any credit support provider's) unsecured and unsubordinated debt obligations.

**"Retained Interest"** means the randomly selected Receivables with an aggregate Principal Balance equal to at least 5% of the Principal Balance of the Purchased Receivables as at the Purchase Date where such retained Receivables would otherwise have been sold to the Issuer, that the Seller will retain from the Purchase Date and the Principal Balance of which may be reduced over time by, amongst other things, amortisation, allocation of losses or defaults on the underlying Receivables.

**"Scottish Declaration of Trust"** means the declaration of trust to be granted by the Seller in favour of the Issuer pursuant to Clause 3.4 of the Receivables Purchase Agreement.

**"Scottish Financing Contract"** means any Financing Contract entered into with either (a) Obligors who are (i) consumers and (ii) resident in Scotland or (b) Obligors where the relevant vehicle is located in Scotland, to the extent that such Financing Contracts are governed by Scots law.

**"Scottish Receivables"** means all Purchased Receivables derived from Scottish Financing Contracts.

**"Second Trigger Required Rating"** means:

- a) in relation to Moody's, where the relevant entity has a rating assigned by Moody's under its short-term rating scale, a short-term rating of "Prime-2" or above and a long-term rating of "A3" or above or, if there is no short-term rating, a long-term rating of "A3" or above; and
- b) in relation to Fitch:
  - (i) in the event the Class A Notes are assigned a rating of "AA-" or above by Fitch, a long-term rating of "BBB+" and a short-term rating of "F2" with no Rating Watch Negative, in each case applicable to the Swap Counterparty's (or any credit support provider's) unsecured and unsubordinated debt obligations; and
  - (ii) in the event the Class A Notes are assigned a rating of "A+" or below by Fitch, a long-term rating of "BBB-" and a short-term rating of "F3" with no Rating Watch Negative, in each case applicable to the Swap Counterparty's (or any credit support provider's) unsecured and unsubordinated debt obligations.

**"Secured Obligations"** means all duties and liabilities of the Issuer which the Issuer has covenanted with the Trustee to pay to the Noteholders, the Couponholders and the other Transaction Creditors pursuant to Clause 2 of the Deed of Charge.

**"Securities Act"** means the U.S. Securities Act of 1933 as amended from time to time.

**"Seller"** means FRB London.

**"Senior Notes"** means the Class A Notes and the Class B Notes and each a **"Senior Note"**.

**"Servicer"** means FRB London unless the engagement of FRB London as servicer of the Issuer is terminated in which case Servicer shall mean the replacement Servicer (if any).

**"Servicer Downgrade Event"** means the downgrading of the short-term rating of the Servicer by Fitch below F2.

**"Servicer Fee"** means:

- a) in the case of the Servicer Fee to be paid on the first Payment Date falling on 21 May 2012, an amount equal to 0.1 per cent. of the Aggregate Cut-Off Date Principal Balance divided by 365 and multiplied by 53 (being the number of calendar days between the Closing Date and the first Payment Date falling on 21 May 2012); and
- b) for each subsequent Monthly Period, one-twelfth of the Servicer Fee Rate multiplied by the Aggregate Principal Balance as of the beginning of the preceding Monthly Period.

**"Servicer Fee Rate"** means 0.1 per cent. per annum.

**"Servicer Replacement Event"** means either of the following events:

- (a) any delay or failure (and such failure is (if capable of remedy) not remedied within three Business Days of notice of such failure being given) by the Servicer to duly observe or

perform in any material respect any of its covenants or agreements which delay or failure materially and adversely affects the rights of the Issuer, the Trustee or the Noteholders, provided that such delay or failure of performance will not constitute a Servicer Replacement Event for a period of 150 days if such delay or failure was caused by an event beyond the reasonable control of the Servicer, an act of God or other similar occurrence; or

(b) the Servicer suffers an Insolvency Event.

**"Servicer's Systems"** means the Servicer's Pancredit system or any other similar portfolio data system used by the Servicer.

**"Servicing Agreement"** means the servicing agreement between the Servicer, the Issuer, the Seller, the Cash Manager and the Trustee dated on or about the Closing Date.

**"Servicing Report"** shall have the meaning ascribed to such term in the Master Framework Agreement.

**"Servicing Report Delivery Failure"** will occur in the event that the Cash Manager does not receive, or there is a delay in the receipt of, some or all the information necessary for it to prepare the Investor Report in respect of any Calculation Date.

**"Servicing Report Performance Date"** means 10 May 2012, and, in respect of each subsequent calendar month, the 10<sup>th</sup> day of each calendar month or if this is not a Business Day, the next succeeding Business Day.

**"Signing Date"** means 28 March 2012.

**"Specified Cash Reserve Account Required Balance"** means an amount determined on a Calculation Date, being equal to either:

a) on each Calculation Date prior to the earlier of (x) the redemption in full of the Senior Notes or (y) the Payment Date on which the Principal Amount Outstanding of the Senior Notes becomes equal to or less than the balance standing to the credit of the Cash Reserve Account immediately prior to such Payment Date:

(i) in the event all Performance Criteria are satisfied as at the immediately preceding Calculation Date, the greater of:

either:

x) prior to the occurrence of a Servicer Downgrade Event, 1.63 per cent. of the Aggregate Principal Balance as at the end of the immediately preceding Monthly Period; or

y) following the occurrence of a Servicer Downgrade Event, 3 per cent. of the Aggregate Principal Balance as at the end of the immediately preceding Monthly Period; and

0.5 per cent. of the Aggregate Cut-Off Date Principal Balance; or

(ii) in the event any Performance Criteria is not satisfied as at the immediately preceding Calculation Date, an amount equivalent to the Specified Cash Reserve Account Required Balance applicable to the immediately preceding Payment Date; or

b) on each Calculation Date following the earlier of (x) the redemption in full of the Senior Notes or (y) the Payment Date on which the Principal Amount Outstanding of the Senior Notes becomes equal to or less than the balance standing to the credit of the Cash Reserve Account immediately prior to such Payment Date, zero.

**"Standard Form Contract"** means the standard forms of Financing Contracts provided to Baker & McKenzie LLP by FirstRand Bank Limited on 12 December 2011.

**"Sterling", "sterling", "Pounds Sterling" and "£"** denote the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland.

**"Subordinated Termination Payment"** means the excess of (i) any termination payment due and payable by the Issuer to the Swap Counterparty under the Swap Agreement as a result of the occurrence of any Event of Default or Additional Termination Event other than a Tax Event or Illegality (in each case as defined in the Swap Agreement) where the Swap Counterparty is the



Defaulting Party or the Affected Party (as applicable and in each case as defined in the Swap Agreement) over (ii) any amounts paid by any replacement Swap Counterparty in relation to such Event of Default or Additional Termination Event.

**"Subscription Agreement"** means the subscription agreement between the Issuer, the Seller, the Originator and the Joint Lead Managers dated on or about the Signing Date.

**"Swap Agreement"** means the class A interest rate swap agreement between the Issuer and the Swap Counterparty pursuant to the 1992 ISDA Master Agreement (Multicurrency - Cross Border), the associated schedule and the credit support annex and a confirmation dated on or about the Closing Date.

**"Swap Agreement Credit Support Document"** means the credit support annex to the Swap Agreement in the form of the ISDA 1995 Credit Support Annex (Transfer-English Law) to the ISDA Master Agreement.

**"Swap Collateral"** means collateral posted in accordance with the Swap Agreement Credit Support Document.

**"Swap Collateral Cash Account"** means the account in the name of the Issuer, IBAN: GB 97 BNPA 2346 3582 2330 30, opened by the Issuer at the Account Bank into which cash amounts of Swap Collateral are transferred pursuant to the terms of the Swap Agreement Credit Support Document.

**"Swap Collateral Custody Account"** means an account in the name of the Issuer opened by the Issuer and located in England and Wales, into which securities are transferred pursuant to the terms of the Swap Agreement Credit Support Document

**"Swap Counterparty"** means BNP Paribas acting in its capacity as interest rate swap counterparty pursuant to the Swap Agreement.

**"Swap Termination Payment"** means a payment due to the Swap Counterparty by the Issuer or a payment due to the Issuer by the Swap Counterparty, including interest that may accrue thereon, under the Swap Agreement as a result of the termination of the Swap Agreement due to the occurrence of an "event of default" or "termination event" under the Swap Agreement. For the avoidance of doubt, any such payment shall include any amount due to the Swap Counterparty under the Swap Agreement where the Swap Counterparty is the Defaulting Party or the Affected Party but shall exclude any Subordinated Termination Payment.

**"TARGET2"** means the Trans-European Automated Real-time Gross settlement Express Transfer system.

**"TARGET2 Day"** means any day on which TARGET2 is open.

**"Tax Authority"** means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world, including H.M. Revenue & Customs (and any successor thereto).

**"Taxes"** means any present or future taxes, levies, duties, charges, fees, deductions or withholdings of any nature whatsoever (and whatever called) imposed, assessed or levied by any competent fiscal authority having power to tax, and shall include any interest or penalties which may attach as a consequence of failure to pay on the due date and/or non-payment, and **"Tax"**, **"Taxation"**, **"taxes"**, **"tax"** and similar words shall be construed accordingly.

**"Temporary Global Note"** means in respect of each Class of Notes the temporary global bearer note without Coupons or talons attached as more specifically described in Condition 2 (*Form, Denomination and Title*).

**"Transaction Creditors"** means the Noteholders, the Couponholders, the Trustee, any Receiver, the Paying Agent, the Agent Bank, the Account Bank, the Cash Manager, the Corporate Services Provider, the Servicer, the Back-up Servicer, the Swap Counterparty and any other Person expressed from time to time to be a Transaction Creditor.

**"Transaction Documents"** means the Trust Deed, the Deed of Charge, the Subscription Agreement, the Paying Agency Agreement, the Cash Management Agreement, the Account Agreement, the Swap Agreement, the Receivables Purchase Agreement, the Servicing Agreement, the Back-up Servicing Agreement, the Corporate Services Agreement, the Assignment in Security and the Scottish Declaration of Trust, the Collection Accounts Declaration of Trust, the Class C Note Purchase

Agreement, the Class D Note Purchase Agreement, the Master Framework Agreement and the Issuer-ICSDs Agreement.

**"Transaction Parties"** means the Issuer, the Joint Lead Managers, the Seller, the Servicer, the Corporate Services Provider, the Cash Manager, the Back-up Servicer, the Account Bank, the Trustee, the Paying Agent, the Class C Note Purchaser, the Class D Note Purchaser, the Common Safekeeper, the Agent Bank, the Swap Counterparty and any other party to a Transaction Document and **"Transaction Party"** means any of them.

**"Transfer Date"** means each Friday or, if such day is not a Business Day, the immediately following Business Day.

**"Trust Deed"** means the Trust Deed dated on or about the Closing Date and entered into by the Issuer and the Trustee.

**"Trustee"** means BNP Paribas Trust Corporation UK Limited.

**"UK"** or **"the United Kingdom"** means the United Kingdom of Great Britain and Northern Ireland.

**"United States"** means, for the purpose of issue of the Notes and the Transaction Documents, 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).

**"Value Added Tax"** and **"VAT"** mean:

- (a) in the United Kingdom, value added tax as provided for in the Value Added Tax Act 1994 ("**VATA**") (as amended or re-enacted in each case from time to time) and legislation supplemental thereto;
- (b) in another EU Member State (as defined in section 96 VATA), the tax levied in any such EU Member State pursuant to the Council Directive of 28 November 2006 on the harmonisation of the laws of the EU Member States relating to turnover taxes - common system of value added tax: uniform basis of assessment - Directive 2006/112/EC; and
- (c) outside the United Kingdom and another such EU Member State, any tax of a similar nature to value added tax (including, without limitation, sales tax),

in each case, at the rate in force when the relevant supply is made, and includes any tax of a similar nature substituted for, or levied in addition to, such tax.

**"VAT Adjustment Amount"** means an amount to be paid by the Servicer to the Issuer pursuant to the Servicing Agreement, being an amount equal to the reduction in the amount of VAT payable (either by way of Regulation 38 of the Value Added Tax Regulations 1995 or by way of bad debt relief under s36 VATA) to HM Revenue & Customs by the Seller in respect of Financed Objects following the early redemption, termination or enforcement of the relevant Financing Contracts, net of any additional VAT payable to HM Revenue & Customs by the Seller in respect of any subsequent disposal of Financed Objects.

**"VAT Component"** means the amount of each payment made in respect of a Receivable which represents payment in respect of the VAT charged on the original sale of the Financed Object to which the Receivable relates.

**"Voluntary Termination"** means the termination of a Regulated Financing Contract by the relevant Obligor pursuant to section 99 of the CCA at any time before the last payment thereunder falls due.

In this Glossary of Defined Terms words denoting the singular number only shall also include the plural number and vice versa, words denoting one gender only shall include the other genders and words denoting individuals only shall include firms and corporations and vice versa.

For the avoidance of doubt and unless the context otherwise requires, any references to "**ratings**" or "**rating**" in this Prospectus are to ratings assigned by the specific Rating Agencies only.

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