

Listing Particulars

AUTO ABS UK LOANS PLC

(incorporated as a public limited company under the laws of England and Wales, having its registered office at 35 Great St. Helen's, EC3A 6AP London and registration number 8237499)

£275,000,000¹ Class A1 Notes due 2021 (the **Class A1 Notes**)

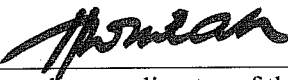
£275,000,000¹ Class A2 Notes due 2021 (the **Class A2 Notes**)

£184,000,000¹ Class A3 Notes due 2021 (the **Class A3 Notes**,

and together with the Class A1 Notes and the Class A2 Notes, the **Senior Notes** or the **Notes**)

Application has been made to list the Senior Notes described in these Listing Particulars on the Channel Islands Stock Exchange (the **Notes Listing**). The Senior Notes may also be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems at the discretion of the Issuer.

The Notes will be issued with an initial principal amount outstanding (as set out above). The principal amount outstanding of the Notes may be increased or decreased in accordance with the terms of the Senior Note Purchase Facility Agreement (as described below).

Signed by  per pro SFM Directors Limited, as Director, for and on behalf of each and every director of the Issuer.

21 December 2012

¹ Initial Principal Amount Outstanding.

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IMPORTANT NOTICES

Investors in the Senior Notes should conduct such independent investigation and analysis regarding Auto ABS UK Loans plc (the Issuer) and the Senior Notes as they deem appropriate to evaluate the merits and risks of an investment in the Senior Notes. Investors in the Senior Notes should have sufficient knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in these Listing Particulars and any supplementary Listing Particulars and the merits and risks of investing in the Senior Notes in the context of their financial position and circumstances. The risks identified in these Listing Particulars are provided as general information only and the Issuer disclaims any responsibility to advise investors in the Senior Notes of the risks and investment considerations associated therewith as they may exist at the date hereof or as they may from time to time alter.

Subject as set out below, the Issuer accepts responsibility for the information contained in these Listing Particulars 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 these Listing Particulars is in accordance with the facts and does not omit anything likely to affect the import of such information.

These Listing Particulars should be read and construed together with any amendments or supplements hereto and with any other documents incorporated by reference herein.

No person has been authorised to give any information or to make any representation not contained in or not consistent with these Listing Particulars or any other document entered into in relation to the Notes Listing or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer.

Neither the delivery of these Listing Particulars nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in these Listing Particulars is true subsequent to the date hereof or the date upon which these Listing Particulars has been most recently amended or supplemented or 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 since the date thereof or, if later, the date upon which these Listing Particulars has been most recently amended or supplemented or that any other information supplied in connection with the Notes Listing is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of these Listing Particulars and the offering, sale and delivery of the Senior Notes in certain jurisdictions may be restricted by law. Persons, into whose possession these Listing Particulars come, are required by the Issuer to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of the Senior Notes and on the distribution of these Listing Particulars and other offering material relating to the Senior Notes, see "*Subscription and Sale*". In particular, the Senior Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the **Securities Act**). Subject to certain exceptions, the Senior Notes may not be offered, sold or delivered within the United States or to U.S. persons.

These Listing Particulars do not constitute an offer or an invitation to subscribe for or purchase any Senior Note and should not be considered as a recommendation by the Issuer that any recipient of these Listing Particulars should subscribe for or purchase any Senior Note. Each recipient of these Listing Particulars shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

The only categories of person in the United Kingdom to whom these Listing Particulars are directed or are being distributed are persons qualifying as investment professionals (within the meaning of Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (the **Order**)) or other persons to

whom these Listing Particulars may otherwise be lawfully distributed in accordance with the Order (all such persons together being referred to as **relevant persons**). These Listing Particulars are directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which these Listing Particulars relates is available only to relevant persons and will be engaged in only with relevant persons.

In these Listing Particulars, unless otherwise specified, references to **GBP** or **£** are to the official currency of the United Kingdom.

Neither the admission of the Senior Notes to the Official List nor the approval of these Listing Particulars pursuant to the listing requirements of the Channel Islands Stock Exchange shall constitute a warranty or representation by the Channel Islands Stock Exchange as to the competence of the service providers to, or any other party connected with, the Issuer, the adequacy of information contained in these Listing Particulars or the suitability of the issue for investment purposes.

Ogier Corporate Finance Limited is acting for the Issuer and for no one else in connection with the Notes Listing and will not be responsible to anyone other than the Issuer.

These Listing Particulars may be used in connection with the listing of not more than £500,000,000 in aggregate principal amount of the Class A1 Notes, of not more than £500,000,000 in aggregate principal amount of the Class A2 Notes and of not more than £500,000,000 in aggregate principal amount of the Class A3 Notes. The Notes will be issued with an initial Principal Amount Outstanding (as set out above). The principal amount outstanding of the Notes may be increased or decreased in accordance with the terms of the Senior Note Purchase Facility Agreement (as described below).

This document must be read in conjunction with all documents deemed to be incorporated by reference in and forming part of these Listing Particulars (see under "*Documents Incorporated by Reference*") and shall be construed accordingly.

However it is noted that the Class A Notes are variable funded notes and the principal amount can be increased or decreased in accordance with the Senior Note Purchase Facility Agreement (as to which see further below).

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, these Listing Particulars:

- (a) the most recently published audited consolidated annual financial statements (if any) of the Issuer; and
- (b) all amendments and supplements to these Listing Particulars prepared by the Issuer from time to time,

provided, however, that (i) any statement contained in these Listing Particulars or in any of the documents incorporated by reference in, and forming part of, these Listing Particulars shall be deemed to be modified or superseded for the purpose of these Listing Particulars to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement and (ii) neither (A) any documents incorporated by reference nor (B) any modifying or superseding statements form part of the listing particulars as contained in these Listing Particulars given in compliance with the Channel Islands Stock Exchange listing rules.

The Issuer will not provide interim financial statements.

The Issuer will provide, free of charge, upon oral or written request, a copy of these Listing Particulars (or any document incorporated by reference in these Listing Particulars). Written or telephone requests for such documents should be directed to the specified office of the Issuer in the UK.

SUPPLEMENTARY LISTING PARTICULARS

The Issuer has undertaken, in connection with the listing of the Senior Notes on the Channel Islands Stock Exchange, that if there shall occur any adverse change in the business or financial position of the Issuer or any change or amendment to the Senior Note Purchase Facility Agreement, that is material in the context of issuance under the Notes Listing, the Issuer will prepare or procure the preparation of an amendment or supplement to these Listing Particulars or, as the case may be, draw up new Listing Particulars, for use in connection with any subsequent issue by the Issuer of the Senior Notes to be listed on the Channel Islands Stock Exchange.

SUMMARY OF THE NOTES LISTING

The following is a summary of the Notes Listing, which is qualified in its entirety by the remainder of these Listing Particulars. Words and expressions defined in "Form of Senior Note Purchase Facility Agreement" below shall have the same meanings in this summary.

Issuer:	Auto ABS UK Loans plc.
Seller:	Banque PSA Finance S.A., acting through its UK branch whose London branch is at Quadrant House, Princess Way, Redhill, Surrey RH1 1QA, the Seller has originated the certain auto loans contracts (the Auto Loan Contracts) under which the Receivables (as defined below) are being acquired by the Issuer (the Purchased Receivables).
Servicer:	On 19 December 2012 (the Signing Date) the Seller was appointed as Servicer. Pursuant to the servicing agreement entered into on or about the Signing Date between, <i>inter alios</i> , the Issuer and the Servicer (the Servicing Agreement), the Servicer may, from time to time, subcontract or delegate the performance of some or all of its duties under the Servicing Agreement to a third party. The Servicer will also produce a monthly servicing report (the Monthly Servicer Report). The Servicer will commence servicing the Purchased Receivables on or about 21 December 2012 (the Closing Date), on transfer of Purchased Receivables to the Issuer.
Issuer Swap Counterparties:	The Issuer may, from time to time, enter into Hedging Agreements (as defined herein) with various swap providers to hedge certain interest rate risks (such swap providers, Issuer Swap Counterparties and each an Issuer Swap Counterparty) associated with the Senior Notes.
Issuer Account Bank	BNP Paribas Securities Services S.C.A., London Branch, a French <i>Société en Commandite par Actions</i> whose registered office is situated at 3 rue d'Antin, 75002 Paris, operating through its London branch currently at 55 Moorgate, London, EC2R 6PA.
Description of placement:	The placement of the Senior Notes will be made to investors (the Senior Noteholders) on a non-syndicated private placement basis.
Listing Agent:	Ogier Corporate Finance Limited.
Listing:	The Senior Notes are to be listed on the Channel Islands Stock Exchange and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system as may be decided by the Issuer.
Size of Senior Notes:	<p>The Class A1 Notes will be issued on the Closing Date with an initial nominal principal amount of £275,000,000 and a principal amount outstanding of £275,000,000 will be subscribed for on the Closing Date.</p> <p>The Class A2 Notes will be issued on the Closing Date with a nominal principal amount of £275,000,000 and a principal amount outstanding of £275,000,000 will be subscribed for on the Closing Date.</p>

The Class A3 Notes will be issued on the Closing Date with a nominal principal amount of £184,000,000 and a principal amount outstanding of £184,000,000 will be subscribed for on the Closing Date.

Variable funding of the Senior Notes:

If only some, but not all of the purchasers of the Senior Notes (the **Senior Note Purchasers**) and the Issuer Swap Counterparties agree to an extension of the initial 364-day period while the facility subsists under the Senior Note Purchase Facility Agreement, the Seller, subject to the relevant alternative swap arrangements being entered into with the relevant Issuer Swap Counterparties, may (i) opt to purchase the Senior Notes and the relevant Senior Note Purchaser Commitment from the Senior Note Purchaser which does not consent to the extension (the **Non-Renewing Purchaser**), (ii) offer to the other Senior Note Purchasers to increase their relevant Senior Note Purchaser Commitments for an amount equal in aggregate to the relevant Senior Note Purchaser Commitment of the Non-Renewing Purchaser(s) and/or approach one or more investors to purchase the Senior Notes and the Senior Note Purchaser Commitment of the Non-Renewing Purchaser, provided that they enter into the accession documentation prescribed in the Senior Note Purchase Facility Agreement or (iii) in respect of a non-renewing swap provider, negotiate the terms of the swap with a new swap provider.

The Senior Notes will be variable funding notes, in respect of which the Principal Amount Outstanding may be increased or decreased in accordance with the terms of the Senior Note Purchase Facility Agreement.

Business Day means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in Dublin, London, New York, Chicago, and Paris and which is a TARGET2 Business Day.

For further information on the variable funding of the Senior Notes please see the section in respect of the Senior Note Purchase Facility Agreement below.

London/Paris Business Day means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in London and Paris;

Purpose:

The proceeds of the issuance of the Senior Notes will be used for the purpose of funding the Principal Component Purchase Price (as defined below) of the Receivables acquired from time to time under the Receivables Purchase Agreement (the **Purchased Receivables**).

Form of the Senior Notes:

The Senior Notes will be issued in book entry registered form, in minimum denominations of £500,000 and shall be transferable in minimum amounts of £100,000.

The holder of the relevant Senior Notes shall be the person in whose name the Senior Notes of each Class are recorded in the register maintained for this purpose (the **Senior Note Register**) from time to time, and who has delivered the relevant accession and transfer documentation prescribed in the Senior Note Purchase Facility Agreement.

Status of the Senior Notes: The Senior Notes will be secured and limited in recourse as further described in "*Form of Senior Note Purchase Facility Agreement*".

The payment of certain interest and principal amounts in respect of each of the Senior Notes on any Note Payment Date (the **Senior Interest Amounts**), will be on a *pro rata* and *pari passu* basis, in accordance with (i) the Interest Priority of Payments and the Principal Priority of Payments during the Revolving Period and the Amortisation Period, (ii) the Accelerated Amortisation Priority of Payments during the Accelerated Amortisation Period, and (iii) the Post-Enforcement Priority of Payments following the delivery of an Enforcement Notice.

Issue Price: Each Senior Note will be issued at an amount equal to its Principal Amount Outstanding on its date of issue.

Principal Amount Outstanding means on the Closing Date or any Note Payment Date and in respect of a Note of any class, the principal amount outstanding resulting from the difference between the initial principal amount of the Notes of that class as at the Closing Date and the sum of principal amounts paid to the Noteholders of that Class at the previous Note Payment Dates and at the relevant Note Payment Date plus any increase in the principal amount of the relevant Note pursuant to the terms of the Senior Note Purchase Facility Agreement (including as a result of any assignment of a Relevant Senior Note Purchaser Commitment);

Final Maturity Date: Unless extended, 31 January 2021.

Redemption: Each Senior Note will be redeemable at par.

The Issuer shall pay that portion of the Principal Amount Outstanding of the Senior Notes which is to be redeemed on each Note Payment Date, in the amounts and in accordance with the priorities set forth in the applicable Priority of Payments.

The Issuer will redeem the Senior Notes at their respective Principal Amount Outstanding on the Final Maturity Date.

It is not expected that any Principal Amount Outstanding will be repaid during the Revolving Period.

Redemption for tax and other reasons: The Issuer may, on any Note Payment Date and having given the requisite notice to the Senior Note Purchasers, redeem all, but not some only, of the Senior Notes at their respective Principal Amounts Outstanding together with accrued but unpaid interest up to but excluding the date of redemption and all other amounts,

- (a) if by reason of a change in tax law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, on the next Note Payment Date, the Issuer would be obliged to pay increased amounts as provided for in the Tax Gross-up (as further described in "*Senior Note Purchase Facility Agreement – Tax Gross-Up*"), or the Issuer becomes obliged to make a payment relating to the tax indemnities given under the

Senior Note Purchase Facility Agreement;

- (b) if by reason of a change in law, which change becomes effective on or after the Closing Date it has become or will become unlawful for the Issuer to hold or fund the holding of the Receivables or to permit the Senior Notes to remain outstanding; or
- (c) by reason of FATCA, the Issuer would be obliged to pay increased amounts on the next Note Payment Date as provided for in the tax gross-up provisions of the Senior Note Purchase Facility Agreement;

Redemption when the Seller is the owner of the Senior Notes

Prior to the occurrence of an Early Amortisation Event or an Event of Default, if the Seller is the owner of all or any of the Senior Notes, the Issuer shall, where the Seller has (subject to the consent of the Issuer and the Funding Agents) repurchased a randomly selected portion of the Purchased Receivables, use the proceeds of any such repurchase to redeem the Senior Notes held by the Seller at their Principal Amount Outstanding, together with accrued and unpaid interest, provided that such redemption shall be conditional on the Seller having delivered prior written notice to the Rating Agency and the payment of all amounts that are or would become due to the relevant Issuer Swap Counterparty(ies) as a result of such redemption and any other amounts due or accrued to the relevant Issuer Swap Counterparty and provided that the Issuer would have sufficient amounts to redeem the relevant Senior Notes held by the Seller in full (together with accrued interest) taking into account the other amounts to be paid by the Issuer.

Call Options

The Seller (or a third party investor nominated by the Seller) has certain call options in relation to the Senior Notes. These are set out in more detail below, but include where:

- A relevant Senior Note Purchaser does not agree to extend the Revolving Period;
- There has been an increase in the margin payable on the relevant class of Senior Notes;
- There have been certain increased costs due to a Senior Note Purchaser as a result of a regulatory change;
- Payment of certain tax indemnities or tax gross up;
- There has been an Early Amortisation Event or an Event of Default;

The purchased price for the Senior Notes will be based on the principal amount outstanding of the Senior Notes plus all accrued interest. The exercise of any of the call options listed above will be dependent on the satisfaction of various conditions precedent as set out in the Senior Note Purchaser Facility Agreement and as described more fully below.

Interest:

Each Senior Note will be interest-bearing as further described in "*Form of Senior Note Purchase Facility Agreement*".

Interest will be payable monthly in arrear on each Note Payment Date.

First Note Payment Date means 28th January 2013.

Note Payment Date means the First Note Payment Date, and following this the 27th calendar day of each month, provided that if such day is not a Business Day, the Note Payment Date shall be the next following Business Day unless it would thereby fall in the next calendar month in which case it will be brought forward to the immediately preceding Business Day.

Denominations:

Each Senior Note will be denominated in Sterling.

Taxation:

All payments in respect of the Senior Notes will be made free and clear of withholding taxes unless law or FATCA requires the withholding. In the event that withholding tax is imposed by law or FATCA, the Issuer will pay the amount deducted or withheld to the relevant tax authority or other authority in accordance with law or FATCA (as applicable), and the amount of the payment due from the Issuer shall be increased to an amount which (after the making of such deduction or withholding and after taking account of any further deduction or withholding which is required to be made as a consequence of such increase) leaves an amount equal to the payment which would have been due had no such deduction or withholding been made or required to be made.

FATCA means Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

Governing Law:

English law.

Ratings:

The Senior Notes will be rated "AAAsf" by Fitch upon issuance.

RISK FACTORS

Prior to deciding to invest in the Senior Notes, investors should carefully consider, along with the other matters set out in these Listing Particulars, the following investment considerations. These comments do not purport to address all the risks associated with an investment in the Senior Notes and any investors should make their own assessment as to the risks associated with any investment in the Senior Notes.

Market risks

Application has been made for the Senior Notes to be listed on the Channel Islands Stock Exchange. There can be no assurance that a secondary market in the Senior Notes will develop or, if it does develop, that it will provide Noteholders with liquidity of investment or that it will continue for the life of the Senior Notes. As at the date of these Listing Particulars, the secondary market for similar securities such as the Senior Notes is experiencing severe disruptions resulting from reduced investor demand for such securities. This has had a material adverse impact on the market value of such securities and resulted in the secondary market for similar securities experiencing very limited liquidity. Structured investment vehicles, hedge funds, issuers of collateralised debt obligations and other similar entities that are currently experiencing funding difficulties have been forced to sell auto car loan-backed securities into the secondary market. The price of credit protection on similar securities through credit derivatives has risen materially.

Limited liquidity in the secondary market may continue to have an adverse effect on the market value of similar 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 requirements of limited categories of investors. Consequently, whilst these market conditions persist, an investor in the Senior Notes may not be able to sell or acquire credit protection on its Senior Notes readily and market values of the Senior Notes are likely to fluctuate. Any of these fluctuations may be significant and could result in significant losses to an investor who needs to sell their Senior Notes. It is not known for how long these market conditions will continue or whether they will worsen. In addition, the market value of certain of the Senior Notes may fluctuate with changes in prevailing rates of interest and other factors. Consequently, any sale of Senior Notes by Noteholders in any secondary market which may develop may be at a discount to the original purchase price of those Senior Notes.

Consequently, a purchaser must be prepared to hold such Senior Notes for an indefinite period of time and potentially until their stated maturity. In addition, the Senior Notes are subject to certain transfer restrictions, which may further limit their liquidity. See "*Subscription and Sale*".

Suitability of investment

Investors who consider purchasing any of the Senior Notes should reach an investment decision only after carefully considering the suitability of such Senior Notes in the light of their particular circumstances.

While targeted returns should reflect the perceived level of risk, there can be no assurance of return of capital or any rate of return or profit and investors may be exposed to a total loss on their investment in the Senior Notes.

Investors who are not professional investors should consult an appropriate professional advisor prior to investing in any of the Senior Notes. Investment in the Senior Notes is suitable only for investors who can bear the risks associated with a lack of liquidity in the Senior Notes and the financial and other risks associated with an investment in the Senior Notes. Any prospective purchaser shall be responsible for assessing the legality and suitability of an investment by it in the Senior Notes.

Economic risks

The Issuer's business includes the acquisition of the auto car loans to which the following risk factors are relevant.

Default by borrowers in paying amounts due on their Auto Loan Contracts

Borrowers may default on their obligations due under the Auto Loan Contracts. Defaults may occur for a variety of reasons. Various factors influence auto loan delinquency rates, prepayment rates, and the ultimate payment of interest and principal, such as changes in the general economic conditions affecting the United Kingdom auto loan markets, such as: volatility in auto loan interest rates; lack of liquidity in wholesale funding markets in periods of stressed economic conditions, economic or political crisis; illiquidity and downward price pressure; commencement of recession and employment fluctuations; consumer perception as to the continuing availability of credit and price competition, regional economic conditions, changes in tax laws, inflation, the availability of financing, political developments and government policies which may have an adverse impact upon delinquency rates.

The rate of prepayments on the Auto Loan Contracts may be increased as a result of borrowers refinancing their Auto Loan Contracts and sales of the car given as security for an Auto Loan Contract (either voluntarily by borrowers or as a result of enforcement action taken), as well as the receipt of proceeds from car insurance and life assurance policies. The rate of prepayment of Auto Loan Contracts may also be influenced by the presence or absence of early repayment charges.

Other factors in borrowers' personal or financial circumstances may reduce the ability of borrowers to repay Auto Loan Contracts. Loss of earnings, illness, divorce and other similar factors may lead to an increase in delinquencies by and bankruptcies of borrowers, and could ultimately have an adverse impact on the ability of borrowers to repay Auto Loan Contracts. Inability to refinance their Auto Loan Contracts may also have an adverse impact on the ability of borrowers to repay Auto Loan Contracts. In addition, the ability of a borrower to sell a car given as security for a Auto Loan Contract at a price sufficient to repay the amounts outstanding under the Auto Loan Contract will depend upon a number of factors, including the availability of buyers for that car, the value of that car and car values and the car market in general at the time.

If the timing and payment of the Auto Loan Contracts is adversely affected by any of the risks described above, the payments in respect of the Notes could be reduced or delayed.

The ability of the Car Seller Subcontractor appointed by the Seller to sell a car financed by an Auto Loan Contract at a price sufficient to any amounts (including any balloon payment to be paid under the Auto Loan Contract) required to repay the amounts outstanding under the Auto Loan Contract will depend upon a number of factors, including the availability of buyers for that car, the value of that car and car values in general at the time and, ultimately, may materially adversely affect the ability of the Issuer to make payments on the Senior Notes. The market in the UK for the sale of cars is cyclical and any sale proceeds obtained may depend on time of year when a car is sold.

Potential Adverse Changes to the Value and/or Composition of the Portfolio

No assurances can be given that the respective values of the cars to which the Portfolio relates have not depreciated or will not depreciate at a rate greater than the rate at 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 used car market in the United Kingdom should experience a downturn, or if there is a general deterioration of the economic conditions in the United Kingdom, then any such scenario could have an adverse effect on the ability of customers to repay amounts under the relevant Auto Loan Contract and/or the likely amount to be recovered upon a forced sale of the cars upon default by customers or the exercise of a voluntary termination by the customer under an Auto Loan Contract. This in turn could have an adverse effect on the Issuer's ability to make payments under the Notes.

In addition, certain geographical regions in the United Kingdom may from time to time experience weaker regional economic conditions and car markets than will other regions in the United Kingdom, and consequently could experience higher rates of loss and default on car loans generally.

The Eligibility Criteria have been set as at the date of this document 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 Portfolio at any time in the future may deteriorate in view of the circumstances then subsisting.

General

The Senior Notes can generally be described as a high-risk investment involving a potential total loss if the Issuer does not receive adequate distributions and other returns in respect of its underlying investments in the Portfolio.

The holders of the Senior Notes (the **Senior Noteholders**) should also be aware that recourse is limited against the assets of the Issuer; if the Issuer does not receive adequate distributions and other returns from its investments, then the Senior Noteholders would only have recourse on the assets (whether present or future) of the Issuer, to the extent that such assets are available after satisfaction of all senior creditors of the Issuer.

Any prospective purchaser of the Senior Notes should have such knowledge and experience in financial and business matters and expertise in assessing credit risk (in particular on the Issuer and its investments) as to make it capable of evaluating the merits, risks and suitability of investing in the Senior Notes.

Credit Risk

Prospective purchasers of the Senior Notes should be aware that the amount and timing of payment of the principal and interest on the Senior Notes will depend upon the Issuer receiving adequate distributions and other returns from the Portfolio.

Reliance on Issuer Swap Counterparties

To provide a hedge against possible rates of interest payable on the Auto Loan Contracts in the Portfolio (which are fixed) the Issuer will enter into interest rate swap agreements (**Hedging Arrangements**) with the Issuer Swap Counterparties, to hedge the interest rate risks associated with the Senior Notes.

If the Issuer fails to make timely payments of amounts due under any Hedging Agreement, then it will have defaulted under that Hedging Agreement. An Issuer Swap Counterparty is only obliged to make payments to the Issuer as long as the Issuer complies with its payment obligations under the relevant Hedging Agreement. If the Issuer Swap Counterparty is not obliged to make payments or if it defaults on its obligations to make payments of amounts in the relevant currency equal to the full amount to be paid to the Issuer on the due date for payment under the relevant Hedging Agreement, the Issuer will be exposed to any changes in the relevant rates of interest. Unless a replacement swap is entered into, the Issuer may have insufficient funds to make payments under the Senior Note.

If a Hedging Agreement terminates, then the Issuer (or the Servicer on its behalf) may be obliged to make a termination payment to the relevant Issuer Swap Counterparty. There can be no assurance that the Issuer (or the Servicer on its behalf) will have sufficient funds available to make a termination payment under the relevant Hedging Agreement, nor can there be any assurance that the Issuer will be able to enter into a replacement hedging agreement.

If the Issuer is obliged to pay a termination payment under any Hedging Agreement, such termination payment will rank senior to amounts due on the Senior Note (in respect of the interest rate swaps), except

where default by, or downgrade of, the relevant Issuer Swap Counterparty has caused the relevant Hedging Agreement to terminate.

Nature of the Issuer

The Issuer is a newly formed entity and has no significant operating history other than that incidental to its incorporation, the authorisation and issue of the Senior Notes under the Notes Listing and activities incidental to the exercise of its rights and compliance with its obligations under the Senior Notes, and activities incidental to the acquisition of the Portfolio.

The Issuer will have no material assets other than the Portfolio and the revenues thereunder, Cash and certain authorised investments. It is currently planned that the Issuer will not engage in any business activity other than entering into the documents relating to the Senior Notes, and any documents in connection with the acquisition of the Portfolio. Therefore, income derived from the Portfolio will be the Issuer's sole source of cash in respect of the Senior Notes. Therefore, by investing in the Senior Notes, investors take a credit risk on the Issuer.

UK Insolvency Law

If the Issuer is wound up, the liquidator may, with the sanction of an extraordinary resolution and any other requirement of law, divide among the members of the Issuer in specie the whole or any part of its assets. A liquidator may for that purpose value any assets and determine how the division shall be carried out as between the members or different classes of members.

Secured Obligations

Each Senior Note is a secured and limited recourse obligation of the Issuer and is payable solely from the assets, whether present or future, of the Issuer. None of the officers, directors or incorporators of the Issuer, the Listing Agent, or any of their respective affiliates and any other person or entity (other than the Issuer) will be obliged to make payments under the Senior Notes. As the assets of the Issuer only consist of the revenues and the claims under the underlying assets, holders of the Senior Notes must rely solely on distributions of interest and capital returns from the respective underlying assets. There can be no assurance that the distributions from the underlying assets will provide sufficient cash to make payments on the Senior Notes. In addition, payments would first be made to creditors ranking senior to the Senior Noteholders in accordance with the Transaction Documents (as defined below). If distributions from the underlying assets are insufficient to make payments on the Senior Notes, no other assets will be available for payment of the deficiency and the obligations of the Issuer under the Senior Notes only become due and payable upon receipt of such revenues from the underlying assets.

Subordination of Senior Notes

The Senior Notes will be subordinated to all creditors ranking senior to the Senior Noteholders.

At the time of issue of the Senior Notes, the only such creditors are BNP Paribas Trust Corporation UK Limited, in its capacity as **Issuer Security Trustee**, BNP Paribas Securities Services S.C.A., London Branch, in its capacity as **Issuer Account Bank**, Banque PSA Finance S.A., UK branch, in its capacity as **Seller and Servicer**, BNP Paribas Securities Services S.A., in its capacity as **Cash Manager**, and Structured Finance Management Limited, in its capacity as **Corporate Services Provider**, J.P. Morgan Securities plc as **Issuer Swap Counterparty**, HSBC France as **Issuer Swap Counterparty** and Lloyds TSB Bank plc as **Issuer Swap Counterparty** (together, the **Senior Creditors**).

The subordination to the Senior Creditors is governed by the deed of charge and assignment dated 19 December 2012 as amended and/or restated from time to time (the **Deed of Charge**).

The Receivables Purchase Agreement, the Servicing Agreement, the Senior Note Purchase Facility Agreement, the Reserve Loan Agreement, the Deed of Charge, the Account Bank Agreement, the Cash Management Agreement, the Hedging Agreements, the Seller Collection Account Declaration of Trust, the Subordinated Note Facility Agreement, the Master Definitions Agreement, the Corporate Services Agreement and the Vehicle Floating Charge (each as defined in "*Principle Transaction Documents*" below) and any other agreement or document from time to time designated as such by the Issuer and/or the Issuer Security Trustee are together the **Transaction Documents**.

Change of law

The transactions described in these Listing Particulars (including the issue of the Senior Notes) are based on the relevant law and administrative practice in effect as at the date hereof, and having regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given as to the impact of any possible change to the law (including any change in regulation which may occur without a change in primary legislation), administrative practice or tax treatment after the date of this document nor can any assurance be given as to whether any such change would adversely affect the ability of the Issuer to make payments under the Senior Notes.

The Issuer believes that the risks described above are some of the principal risks inherent in the transaction for Senior Noteholders, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Senior Notes may occur for other reasons and neither the Issuer nor any other person or entity represents that the above statements regarding the risk of holding the Senior Notes are exhaustive.

PRINCIPAL TRANSACTION DOCUMENTS

The following is a summary of the principal Transaction Documents.

Receivables Purchase Agreement

Origination

On or prior to the Closing Date the Issuer and the Seller, *inter alios*, entered into a Receivables Purchase Agreement (the **Receivables Purchase Agreement**).

Sale and Purchase

Pursuant to the terms of the Receivables Purchase Agreement, the Seller agrees to sell on the Closing Date, and every Subsequent Purchase Date (each a **Purchase Date**) and the Issuer agrees to purchase the Seller's rights, title, interest and benefit in and to the certain Receivables (the **Purchased Receivables**) identified in the related receivables transfer offer made by the Seller (each a **Portfolio**) relating to the Auto Loan Contracts.

The sale of Receivables excludes any title of the Seller in any cars (other than the sale proceeds of any car) which are the subject matter of the Auto Loan Contracts to which such Receivables relate. Title to the related cars will remain with the Seller until it is transferred to the relevant customer under the terms of the relevant Auto Loan Contract or the car is sold by the Seller following voluntary termination (including any right to return the vehicle pursuant to the payment waiver) or the return of the car by the customer, or the Auto Loan Contract is otherwise terminated or defaulted.

Purchase Price

The consideration payable by the Issuer for the sale and purchase of the Receivables comprised in each Portfolio shall consist of an amount equal to the aggregate of the (i) aggregate of the Outstanding Balance of the relevant Receivables as at the Selection Date immediately preceding the relevant Purchase Date (the **Principal Component Purchase Price**), (ii) an amount equal to the aggregate of the accrued but unpaid interest amounts on such Receivables on the Selection Date immediately preceding the relevant Purchase Date (the **Interest Component Purchase Price**), (iii) amounts to be paid as deferred consideration in accordance with the relevant Priority of Payments (the **Deferred Consideration**) and (iv) certain amounts forming excluded collections, in accordance with the Cash Management Agreement (the **Excluded Collections**).

In further consideration of the Issuer entering into the Receivables Purchase Agreement and agreeing to acquire the Receivables, the Issuer has the benefit of certain representations and warranties, subject to certain limitations and exclusions, given by the Seller as at the Closing Date and each Purchase Date in relation to the Auto Loan Contracts (and their related Collateral Security), including warranties in relation to the eligibility criteria applied in purchasing the Receivables, and in relation to the related Auto Loan Contracts.

In the event of the discovery of any breach of the eligibility criteria or any of the representations and warranties made by the Seller in respect of the Receivables, the Seller will be required to repurchase such Receivables, in the circumstances set out in and in accordance with the terms of Receivables Purchase Agreement. If a Receivable has never existed, or has ceased to exist, such that it is not outstanding on the date on which it is otherwise due to be repurchased, the Seller will indemnify the Issuer and the Issuer Security Trustee against any loss and all liabilities suffered by reason of any warranty or representation relating to or otherwise affecting such Receivable being untrue or incorrect by reference to the facts subsisting at the date on which the relevant warranty or representation was given.

Following any such repurchase or indemnification, the Issuer is required to pay an amount back to the Seller equal to the balance in relation to Subsidised Interest Arrangements (as defined below) and the Contract Management Fees (as defined below) relating to such Receivable, if any.

The Issuer's obligation to pay the Purchase Price for the sale of any Receivables from the Seller may be set-off against the Seller's obligation to pay the Repurchase Price for the repurchase of any Receivables from the Issuer on each Note Payment Date.

Terminated Receivables Put Option

Prior to the occurrence of an Insolvency Event in respect of the Seller, the Issuer will offer the Seller its rights, title, interest and benefit in the Purchased Receivables that become Terminated Receivables, and the Seller shall accept any such offer on the date that such Purchased Receivables became Terminated Receivables (the **Terminated Receivable Due Date**) by paying the purchase price of (i) the Outstanding Balance of the Terminated Receivables, (ii) any interest accrued and (iii) any remaining Arrears Amounts, to the Issuer on such date. Completion of such repurchase shall take place on the second Subsequent Purchase Date following the Determination Date immediately following the relevant Terminated Receivables Due Date.

Defaulted Receivables Call Option

Prior to the occurrence of an Insolvency Event in respect of the Seller, the Seller is entitled to repurchase rights, title, interest and benefit of the Issuer in any Purchased Receivable that has become a Qualifying Defaulted Receivable, being each Defaulted Receivable that has been a Defaulted Receivable for six months or more and in respect of which either (a) the relevant car has been disposed of by the Servicer and the sale proceeds applied in repaying the relevant Purchased Receivable or (b) the sale of the relevant car is not reasonably practicable. The Seller shall pay a repurchase price of an amount equal to 25% of the aggregate of (i) the relevant Qualifying Defaulted Receivables' defaulted amounts and (ii) any arrears amounts at the date where the Receivables become Defaulted Receivables.

Seller Noteholder Purchase Option

Prior to the occurrence of an Early Amortisation Event or Event of Default, on any date that the Seller is a Senior Noteholder, the Seller is entitled to offer to repurchase from the Issuer Purchased Receivables in an amount at least equal in value to the Principal Amount Outstanding together with any unpaid and accrued interest of the Senior Note of the Seller (the **Seller Senior Note**) up to the relevant Note Payment Date plus an amount equal to all amounts that are or would become due to the Issuer Swap Counterparties as a result of the redemption of the Seller Senior Note and all other amounts due but unpaid to the Funding Agent in respect of the Seller Senior Note by the Issuer pursuant to the terms of the Senior Note Purchase Facility Agreement (the **Seller Noteholder Repurchase Price**). The Issuer may accept such offer, with the prior written consent of the Funding Agents, by the immediately following Note Payment Date in consideration for the Seller paying the Seller Noteholder Repurchase Price on such Note Payment Date.

Tax Indemnity and Illegality Purchase Option

Prior to the occurrence of an Early Amortisation Event or Event of Default, on any date that (i) the Issuer becomes obliged to make a payment relating to the tax indemnities or the tax gross-up given under the Senior Note Purchase Facility Agreement (including in relation to FATCA) or (ii) it has become or will become unlawful for the Issuer to hold or fund the holding of the Purchased Receivables or to permit the Senior Notes to remain outstanding, the Seller is entitled to offer to repurchase from the Issuer Purchased Receivables in an amount at least equal in value to the Principal Amount Outstanding together with any unpaid and accrued interest of the applicable Senior Note(s) up to the relevant Note Payment Date plus an

amount equal to all amounts that are or would become due to the Issuer Swap Counterparties as a result of the redemption of the relevant Senior Note(s) and all other amounts due but unpaid to the Funding Agent. The Issuer may accept such offer, with the prior written consent of the Funding Agents.

The Receivables to be repurchased by the Seller will be randomly selected by the Cash Manager, except that such selection must ensure the continued satisfaction of the Global Portfolio Limits as at the immediately following Note Payment Date.

In these Listing Particulars:

Ancillary Rights means any and all rights or guarantees which secure or otherwise provide for the payment of the Receivables (whether under the terms of the Auto Loan Contracts or otherwise), and any associated Car Resale Price Receivables, including, without limitation:

- (a) any and all present and future claims benefiting the Seller under any insurance policy relating to Receivables under the terms of an Auto Loan Contract or associated Car Resale Price Receivables;
- (b) any right to receive any subsidy relating to an Auto Loan Contract; and
- (c) any other security interest and more generally any sureties, guarantees, insurance and other agreements or arrangements of whatever character in favour of the Seller supporting or securing the payment of a Purchased Receivable and the records relating thereto;

Auto Loan Contract Receivables mean the rights and interest of the Seller in, to and under an Auto Loan Contract (other than the title to the relevant car) entered into with a customer including instalments, balloon payments, option to purchase fees, back end fees, contract management fees and any other liabilities of or amounts due or paid or payable by customers under such Auto Loan Contracts;

Balloon Payment means the final instalment of a relevant Auto Loan Contract (being a personal contract purchase plan contract) payable at maturity of the relevant Auto Loan Contract that would be payable if the customer exercised its option to purchase the related car (but, for avoidance of doubt, excluding any option to purchase fee);

Car Resale Price Receivables means any and all rights to receive all proceeds derived from the sale of a repossessed or redelivered car that is the subject of an Auto Loan Contract (including, for the avoidance of doubt, any sale proceeds or amounts otherwise arising as a result of the use or ownership of the car whether as a result of voluntary termination, early settlement, involuntary termination or otherwise but excluding for the avoidance of doubt any amount paid by a customer in respect of a balloon payment, option to purchase fee or instalment);

Defaulted Receivables means any Receivable in respect of which:

- (a) the financed car has been handed back or repossessed following a default by the customer; or
- (b) the respective customer has been declared insolvent or bankrupt or is subject to an insolvency proceeding; or
- (c) the Seller or the Servicer has, in accordance with its credit and collection policy, determined any amount of such Receivable to be uncollectible; or
- (d) any amount due in respect of such Receivable remains unpaid past its due date for 150 calendar days or more;

Early Amortisation Event means the occurrence of any one or more of the following events:

- (a) the Seller fails to make any payment, transfer or deposit required under the Transaction Documents when due and such failure remains unremedied for three London/Paris Business Days;
- (b) the Seller fails to provide the information necessary to prepare any Servicer Report or the Servicer fails to deliver a Servicer Report which is true and correct in all material respects when due and such failure remains unremedied for three London/Paris Business Days after receiving notice specifying such failure;
- (c) the Seller fails to perform or observe any term, covenant or agreement contained in any Transaction Document and such failure, if capable of remedy, remains unremedied for five London/Paris Business Days after receiving notice specifying such failure;
- (d) other than in respect of any Receivables repurchased by the Seller pursuant to the terms of the Receivables Purchase Agreement, any representation, warranty, certification or statement made by the Seller in any Transaction Document proves to be materially (other than to the extent that any representation warranty, certification or statement made by the Seller already contains any materiality qualifier) incorrect when made or deemed made and such breach, if capable of remedy, remains unremedied for ten London/Paris Business Days after receiving notice specifying such failure;
- (e) (i) any financial indebtedness of Banque PSA Finance S.A. is not paid when due or within any applicable grace period in any agreement, document or instrument relating to that financial indebtedness or (ii) any financial indebtedness of Banque PSA Finance S.A. becomes due and payable, as a result of an event of default (howsoever described) which has not been remedied before its normal or agreed maturity, and the aggregate of all such financial indebtedness in paragraphs (i) and (ii) above exceeds €30,000,000 (or its equivalent from time to time in other currencies);
- (f) an event or circumstance which, in the reasonable opinion of the Funding Agents, constitutes provision (c) of the definition of Material Adverse Effect has occurred and is continuing;
- (g) a breach of any asset performance trigger (set out in the schedule to the Cash Management Agreement);
- (h) the Principal Amount Outstanding of the Senior Notes exceeds the senior note borrowing base (as calculated pursuant to the formula set out in the Master Definitions and Construction Agreement) by £1 or more at any Note Payment Date as indicated in any Investor Report;
- (i) at any time it becomes unlawful for the Seller or the Servicer to perform or comply with any or all of its material obligations under a Transaction Document to which it is a party;
- (j) the Seller ceases to be a branch of, or owned by, Banque PSA Finance S.A., or Peugeot S.A. ceases (directly or indirectly) to own at least 51% of the Seller's issued share capital;
- (k) the Seller ceases to originate and service, as applicable, the Receivables in the UK;
- (l) a Servicer Termination Event (as defined in the Master Definitions and Construction Agreement) has occurred;
- (m) any Insolvency Event occurs in respect of the Seller;
- (n) the Seller suspends or threatens in writing to suspend all or a substantial part of its operations or ceases, or threatens to cease, to carry on its motor finance business as carried on at the date of signing of the Master Definitions and Construction Agreement and gives ground for belief that such

acts would have a Material Adverse Effect or the Servicer ceases or threatens to cease its servicing function;

- (o) the balance of any of the Reserves (the General Reserve, the Commingling Reserve, the Set-Off Reserve or any other reserve) is less than the required amount for the relevant Reserve on any Note Payment Date;
- (p) an Event of Default has occurred;
- (q) any Transaction Document ceases to be in full force or effect;
- (r) any legal, administrative or arbitral proceedings (other than any vexatious or frivolous proceedings) before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a Material Adverse Effect have been started or threatened in writing against the Seller;
- (s) except as contemplated in the Transaction Documents, the Seller or the Servicer creates or grants any encumbrance or permits any encumbrance to arise over or in relation to (i) all or any part of a Purchased Receivable purchased under the Receivables Purchase Agreement; (ii) any proceeds of or sums received or payable in respect of a Purchased Receivable purchased under the Receivables Purchase Agreement; or (iii) any car financed pursuant to the terms of a Auto Loan Contract relating to a Purchased Receivable or the proceeds thereof;
- (t) the termination of any Hedging Agreement where a replacement Hedging Agreement satisfactory to the Funding Agents has not been entered into within 30 days of the relevant termination date;
- (u) at any time during the Revolving Period, any Principal Collections cannot be invested in Receivables in accordance with the Receivables Purchase Agreement on more than two Note Payment Dates or the amount standing to the credit of the Principal Account (after taking into account application in accordance with the Principal Priority of Payments) is more than 10 per cent. of the Principal Amount Outstanding of the Senior Notes and the Subordinated Notes;
- (v) the Seller fails to maintain a net economic interest in the Purchased Receivables in accordance with Article 122a; and
- (w) certain other triggers relating to the portfolio;

Exercised Payment Waiver Receivables means any Receivable (other than a Defaulted Receivable) in relation to which a Payment Waiver has been exercised;

Information Date means 8 January 2013 and, thereafter, the 5th London/Paris Business Day after the immediately preceding Determination Date;

Insolvency Event means

- (a) in respect of any person which is resident in France or which has its centre of main interests in France (as the term "centre of main interest" is defined in EU Insolvency Regulations (EC) No 1346/2000 of 29 May 2000) (including, if applicable, the Seller and the Servicer):
 - (i) any "mandat ad hoc", "procédure de conciliation", "procédure de sauvegarde", "procédure de sauvegarde financière accélérée", "procédure de redressement judiciaire", "procédure de liquidation judiciaire" as set out under "LIVRE VI" of the French Code de commerce;

- (ii) there occurs, in relation to it, in any jurisdiction to which it or any of its assets are subject, any event which has an effect equivalent or substantially similar to any of those mentioned in paragraph (i) above;
 - (iii) it is, or is deemed or declared for the purposes of any law to be, unable to pay its debts as they fall due or to be insolvent, including without limitation, in respect of any person being resident in France or having its centre of main interest in France (as the term "centre of main interest" is defined in the Council Regulations (EC) No.1346/2000 on insolvency proceedings), such person is in a state of suspension of payments (en état de cessation des paiements);
 - (iv) it suspends payment of its debts to creditors generally or announces its intention to do so;
 - (v) it takes any steps to obtain protection (including a moratorium) or is granted protection (including a moratorium) from its creditors under any law; or
 - (vi) any procedure or step is taken, or any event occurs, analogous to those set out in (i) to (v) above, in any jurisdiction;
- (b) in relation to any other person:
- (i) the entity is unable or admits its inability to pay its debts as they fall due (after taking into account any grace period or permitted deferral), or suspends making payments on any of its debts;
 - (ii) the value of the assets of such company is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;
 - (iii) a moratorium is declared in respect of any indebtedness of such company;
 - (iv) the commencement of negotiations with one or more creditors of such company with a view to rescheduling any indebtedness of such company other than in connection with any refinancing in the ordinary course of business;
 - (v) any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (A) an encumbrancer (excluding, in relation to the entity or any Receiver) taking possession of the whole or any substantial part of the undertaking or assets of the entity;
 - (B) the making of an arrangement, composition, or compromise (whether by way of voluntary arrangement, scheme of arrangement or otherwise) with any creditor of the entity, a reorganisation of the entity, a conveyance to or assignment for the creditors of the entity generally or the making of an application to a court of competent jurisdiction for protection from the creditors of the entity generally other than in connection with any refinancing in the ordinary course of business; or
 - (C) any distress, execution, attachment, diligence or other process being levied or enforced or imposed upon or against the whole or any part of the undertaking or assets of such company (excluding by any Receiver); or
 - (vi) any procedure or step is taken, or any event occurs, analogous to those set out in (i) to (v), in any jurisdiction;

Material Adverse Effect means

- (a) a material adverse effect on the business, operations, or financial condition of the Seller or the Servicer insofar as it relates to the ability of the Seller or the Servicer to perform its obligations under any Transaction Document to which it is a party;
- (b) a material adverse effect on the legality, validity or enforceability of any Transaction Document to which the Seller or the Servicer is a party;
- (c) a material adverse effect on the collectability of more than 5 per cent. in value of the Purchased Receivables that are not Defaulted Receivables nor Terminated Receivables;

Payment Waiver means the contractual right of the customer, pursuant to the terms of an Auto Loan Contract, not to pay amounts in respect of any instalment (other than certain amounts relating to excess mileage, arrears, Balloon Payments or charges in respect of damage to the relevant car) for the period of up to six months following involuntary unemployment of the relevant customer and, as the case may be, to return the car following the expiry of such six month period, in each case without penalty;

Principal Collections means those amounts received from the Purchased Receivables representing the principal component of any collection;

Receivables mean all of (a) the Auto Loan Contract Receivables; (b) the Ancillary Rights in respect of the Auto Loan Contracts related to such Auto Loan Contract Receivables and (c) the Car Resale Price Receivables in respect of the Auto Loan Contracts related to such Auto Loan Contract Receivables.

Selection Date means the 5th London/Paris Business Day following the Information Date;

Subsequent Purchase Date means the day falling one London Business Day after the Selection Date in respect of the purchase of Receivables falling after the Closing Date;

Terminated Receivable means any Receivable not being a Defaulted Receivable, in respect of which the customer has returned the car or has indicated an intention to return the car including:

- (a) Voluntary Terminated Receivables;
- (b) Exercised Payment Waiver Receivables; or
- (c) where a customer exercises its option to return the car to the Seller without paying the Balloon Payment at the end of any Auto Loan Contract that is a personal contract purchase plan contract;

Voluntary Terminated Receivable means any Receivable which is not a Defaulted Receivable, and in respect of which the customer has returned the car, following a termination of the underlying Auto Loan Contract pursuant to Section 99 of the Consumer Credit Act 1974;

Servicing Agreement

On or about the Closing Date the Issuer, the Issuer Security Trustee, the Seller, the Servicer and the Cash Manager will enter into a servicing agreement (the **Servicing Agreement**), appointing the Servicer in relation to the administration, the recovery and the collection of the Receivables purchased by the Issuer pursuant to the Receivables Purchase Agreement. The Servicer may delegate the recovery of amounts in respect of an Auto Loan Contract Receivable or a related car to a third party, provided such delegation is in accordance with its Credit and Collection Policy, the terms of the Servicing Agreement and is permitted by law. However, such delegation shall not affect the Servicer's obligations under the Servicing Agreement and

any breach in the performance of the relevant obligations by such sub-contractor or delegate shall be treated as a breach of the relevant obligations under the Servicing Agreement by the Servicer.

Undertakings by the Servicer

The Servicer has undertaken, among other things:

- not to modify under any circumstance and for any reason whatsoever the terms and conditions of any existing Auto Loan Contract after the relevant Selection Date of the Receivables relating to that Auto Loan Contract, save in accordance with and subject to the terms and conditions of the Servicing Agreement which permits certain limited permitted variations to be made;
- to establish, maintain and implement all necessary accounting, management and administrative systems and procedures, electronic or otherwise, to establish and maintain materially accurate, complete, reliable and up to date information regarding the Purchased Receivables;
- to the extent allowed by applicable data protection and banking secrecy law, to permit the Issuer, the Cash Manager, the Funding Agents (or any external auditors mandated by the Funding Agents) and the Issuer Security Trustee, the external auditors of the Servicer acting on behalf of and on instruction of the Issuer or the Issuer Security Trustee, and any other representatives of the Issuer, during normal business hours to have access, or procure that such person or persons are granted access, to all records relating to the administration of the Purchased Receivables;
- to provide to the Issuer, the Cash Manager, the Funding Agents and the Issuer Security Trustee any information as the Issuer, the Cash Manager, the Funding Agents and the Issuer Security Trustee may from time to time reasonably request in respect of the Purchased Receivables if and to the extent allowed by applicable data protection laws and banking secrecy;
- to comply with any reasonable directions, orders and instructions that the Issuer may from time to time give to it in accordance with and consistent with the Servicing Agreement;
- save as expressly agreed by the parties or as set out in the Servicing Agreement, not to act from a fixed establishment or business establishment outside the United Kingdom in providing the services pursuant to the Servicing Agreement;
- upon the termination of the Issuer Account Bank to identify and (subject to the consent of each Funding Agent) appoint a suitable successor Issuer Account Bank which meets the required ratings within 30 calendar days of the notice of termination;
- to devote to the performance of its obligations at least the same amount of time and attention and overall diligence that it would normally exercise for the administration, recovery and collection of its own assets similar to the Auto Loan Contract Receivables and the Car Resale Price Receivables and for the sale and disposal of any returned or recovered cars; and
- to use its best efforts to comply in all material respects with the requirements of the direct debiting arrangements.

Back-Up Servicer

Upon the failure of the Servicer to maintain a long-term unsecured, unsubordinated and unguaranteed debt rating of at least BB by S&P and Ba2 by Moody's, the Servicer shall identify and appoint an entity to act as a back-up servicer (the **Back-Up Servicer**) in accordance with the terms of the Servicing Agreement, and to put into place arrangements (including the entry into of a back-up servicing agreement) enabling the Back-

Up Servicer to perform certain services upon the termination of the appointment of the Servicer (the **Back-Up Servicing Agreement**).

Termination of the Servicing Agreement

The Servicing Agreement (and the appointment of the Servicer) shall be terminated if a Servicer Termination Event occurs (for example, the Servicer fails to make a required payment or transfer, fails to deliver a Monthly Servicer Report, or an Insolvency Event occurs in relation to it) and the Issuer or the Issuer Security Trustee (with instruction from the Funding Agents) decides to terminate the Agreement or if earlier, the date on which the Notes have been redeemed in full and such termination will take effect as soon as a Back-Up Servicer or new servicer has started to carry out its full duties under the back-up servicing agreement or relevant new servicing agreement.

Senior Note Purchase Facility Agreement

On or about the Closing Date, the Issuer will enter into the Senior Note Purchase Facility Agreement pursuant to which the Senior Notes will be constituted (the **Senior Note Purchase Facility Agreement**). The Senior Note Purchase Facility Agreement will authorise the issuance of the Senior Notes.

The Senior Notes will be issued in book entry registered form, in minimum denominations of £500,000 and shall be transferable in minimum amounts of £100,000.

The holder of the relevant Senior Notes shall be the person in whose name the Senior Notes of each class is recorded in the Senior Note Register from time to time, provided that in the case of any new Senior Note Purchaser (a **New Senior Note Purchaser**), such New Senior Note Purchaser has acceded to the terms of the Senior Note Purchase Facility Agreement by entering into an accession deed.

The facility being extended to the Issuer by the Senior Note Purchasers under the Senior Note Purchase Agreement will initially be for a 364-day period from the Closing Date, extendable for further periods pursuant to the terms of the Senior Note Purchase Agreement, or until the occurrence of an Early Amortisation Event (the **Revolving Period**).

From the first Note Payment Date following the end of the Revolving Period, and ending on the earlier to occur of (a) an Early Amortisation Event, (b) the delivery of an Enforcement Notice, (c) the date on which that Notes are redeemed in full or (d) the Final Maturity Date of the Notes, the **Amortisation Period** will continue.

During the Revolving Period and the Amortisation Period, the Issuer will use any available principal amount and available interest amount received in respect of the Portfolio to meet its obligations to pay, among other items, interest amounts and principal amounts, respectively, to the Senior Noteholders after making payments of or towards fees due to and expenses of the Secured Creditors.

The period beginning on the first Note Payment Date following the occurrence of an Early Amortisation Event and ending on the earlier to occur of (a) the delivery of an Enforcement Notice, (b) the date on which the Notes are redeemed in full or (c) the Final Maturity Date, will be the **Accelerated Amortisation Period**, during which the Accelerated Amortisation Priority of Payments (as set out in the Cash Management Agreement) will apply.

It is not intended that any surplus will be accumulated in the Issuer. Default in the payment of any interest or principal amounts due and payable under the Senior Notes, where such default continues unremedied for a period of three London Business Days, shall constitute an Event of Default under the Senior Notes which may result, amongst other things, in the Issuer Security Trustee enforcing the Security.

Interest on the Senior Notes

The Senior Notes will bear interest on their respective Principal Amount Outstanding from and including the Closing Date payable in arrear on each Note Payment Date in respect of the period from and including one Note Payment Date to but excluding the next Note Payment Date (an **Interest Period**) ended immediately prior thereto. The first Note Payment Date will be the Note Payment Date falling in January 2013.

Each Senior Note shall accrue interest at the rate specified in the Senior Note Purchase Facility Agreement. The interest payable is a variable rate of interest, determined either on the basis of LIBOR or a costs of funds basis.

The Issuer shall on each Note Payment Date pay each Senior Note Purchaser the interest amount in relation to the Senior Notes held by it.

Redemptions of Principal

Unless previously redeemed in full, the Issuer will redeem the Senior Notes at their respective Principal Amount Outstanding on the Final Maturity Date. During the Amortisation Period, the Issuer shall redeem the Senior Notes on each Note Payment Date in an amount equal to the available principal amount, together with any other amounts to be applied in accordance with the Principal Priority of Payments available for such purpose which shall be applied *pro rata* and *pari passu* to repay the Senior Notes until they are repaid in full, subject to the Principal Priority of Payments.

During the Accelerated Amortisation Period, the Issuer shall redeem the Senior Notes on each Note Payment Date, in an amount equal to the Available Distribution Amount, together with any other amounts to be applied in accordance with the Accelerated Amortisation Priority of Payments, available for such purpose which shall be applied *pro rata* and *pari passu* to repay the Senior Notes of each class until they are repaid in full, subject, in each case, to the Accelerated Amortisation Priority of Payments.

Upon delivery of the Enforcement Notice all amounts due in respect of the Senior Notes will become immediately due and payable and amounts will be paid in accordance with the Post-Enforcement Priority of Payments pursuant to the Cash Management Agreement.

The Issuer may, on any Note Payment Date and having given the requisite notice to redeem all, but not some only, of the Senior Notes at their respective Principal Amounts Outstanding together with accrued but unpaid interest up to but excluding the date of redemption and all other amounts,

- (a) if by reason of a change in tax law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, the Issuer would be obliged to pay increased amounts on the next Note Payment Date as provided for in the Tax Gross-up (described in more detail below), or the Issuer becomes obliged to make a payment relating to the tax indemnities given under the Senior Note Purchase Facility Agreement;
- (b) if by reason of a change in law, which change becomes effective on or after the Closing Date it has become or will become unlawful for the Issuer to hold or fund the holding of the Receivables or to permit the Senior Notes to remain outstanding; or
- (c) if by reason of FATCA, the Issuer would be obliged to pay increased amounts on the next Note Payment Date as provided for in the tax gross-up provisions of the Senior Note Purchase Facility Agreement,

unless in each case it would mitigate to appoint a Cash Manager in another jurisdiction or use its reasonable endeavours to arrange the substitution of a company incorporated and/or tax resident in another jurisdiction approved.

Call Options

The Seller may

- (i) (prior to the occurrence of an Early Amortisation Event or an Event of Default) if there is a step-up in the margin payable to any Senior Note Purchaser;
- (ii) (prior to the occurrence of an Early Amortisation Event or an Event of Default) in the event of payment of any tax indemnities and/or tax gross up;
- (iii) (prior to the occurrence of an Early Amortisation Event or an Event of Default) if a Senior Note Purchaser elects not to extend the Revolving Period;
- (iv) (prior to the occurrence of an Early Amortisation Event or an Event of Default) if an amount is payable to the Senior Note Purchaser(s) in respect of increased costs arising as a result of a regulatory event; or
- (v) if an Early Amortisation Event occurs or an Event of Default occurs,

on giving the requisite notice, purchase or arrange for the purchase by a third party of the Senior Notes held by the relevant Senior Note Purchaser or, in respect of (v) all Senior Notes then outstanding. The purchase price to be paid will be equal to the principal amount outstanding of the Senior Notes plus accrued interest. The purchase will be subject to certain conditions, including completion of any "know your customer" requirements, payment of all amounts due by the Issuer and/or the Seller to the relevant Senior Note Purchaser and any related Funding Agent or Issuer Swap Counterparty; provision of a solvency certificate by the Seller, the Senior Notes continuing to be subject to an eligible hedge, all classes of Senior Notes having the same economic terms and no adverse rating event occurring as a result of such transfer to the Seller or third party and completion of any formalities, including the accession of any new Senior Note Purchaser to the Senior Note Purchaser Facility Agreement.

Extension of the Revolving Period and increase in the Principal Amount Outstanding of the Class A1 Notes, the Class A2 Notes and the Class A3 Notes

The Revolving Period under the Senior Note Purchase Facility Agreement can be extended (after the initial 364-day period following the Closing Date) upon the consent of all the parties thereto and confirmation of the "AAAsf" rating of the Senior Notes. If only some, but not all of the Senior Note Purchasers and the Issuer Swap Counterparties agree to such an extension, the Seller, subject to the relevant alternative swap arrangements being entered into with the relevant Issuer Swap Counterparties, may (i) opt to purchase the Senior Notes and the relevant Senior Note Purchaser Commitment from the Senior Note Purchaser which does not consent to the extension (the **Non-Renewing Purchaser**), (ii) offer to the other Senior Note Purchasers to increase their relevant Senior Note Purchaser Commitments for an amount equal in aggregate to the relevant Senior Note Purchaser Commitment of the Non-Renewing Purchaser(s) and/or approach one or more investors to purchase the Senior Notes and the Senior Note Purchaser Commitment of the Non-Renewing Purchaser, provided that they enter into the accession documentation prescribed in the Senior Note Purchase Facility Agreement or (iii) in respect of a non-renewing swap provider, negotiate the terms of the swap with a new swap provider.

Tax Gross-up

If the Issuer is required by law or FATCA to make any deduction or withholding for or on account of Taxes with respect to a payment made by it under the Senior Note Purchase Facility Agreement, the other Transaction Documents (other than any Interest Rate Swaps) or the Senior Notes, the Issuer shall, or shall procure that any agent appointed by it shall pay the amount deducted or withheld to the relevant tax authority or other authority in accordance with law or FACTA (as applicable). If such deduction or withholding is

required by law or FACTA (as applicable) to be made by the Issuer, the Seller or the Servicer, the amount of the payment due from the Issuer, the Seller or the Servicer, as the case may be, shall be increased to an amount which (after the making of such deduction or withholding and after taking account of any further deduction or withholding which is required to be made as a consequence of such increase) leaves an amount equal to the payment which would have been due had no such deduction or withholding been made or required to be made.

Certain indemnities

The Issuer will indemnify each Senior Note Purchaser and certain related parties for and against any and all incurred and properly documented damages, losses, claims, liabilities, costs and expenses and other amounts payable, in accordance with the terms of the Senior Note Purchase Facility Agreement.

The Seller will pay the Issuer and the Senior Note Purchasers and certain related parties amounts in relation to all pre-agreed costs and out of pocket expenses as set out in the Senior Note Purchase Facility Agreement. Further if certain regulatory requirements result in increased costs being borne by parties relating to the holding of the Senior Notes, the Seller will either purchase the Senior Notes, or pay amounts to otherwise compensate for such increased costs or reduced rate of return in respect of relevant capital or assets connected to the Senior Notes.

Events of Default

The occurrence of any one of the following events shall constitute an **Event of Default**:

- (a) the occurrence of an Insolvency Event in relation to the Issuer;
- (b) the Issuer defaults in the payment of any interest or principal amounts due and payable under the Senior Notes and such default continues unremedied for a period of three London Business Days;
- (c) any breach by the Issuer of a covenant, undertaking, financial obligation or other material obligation as set out in any of the Transaction Documents and such breach, if capable of remedy remains unremedied for five London Business Days after the earlier of (i) the Issuer becoming aware of such breach and (ii) receiving notice specifying such breach;
- (d) any representation, warranty, certification or statement made by the Issuer in any of the Transaction Documents proves to have been incorrect or misleading in any material respect when made or deemed to have been made and if capable of remedy shall remain unremedied for ten London Business Days after the earlier of (i) becoming aware of such breach and (ii) receiving notice specifying such breach;
- (e) it is or becomes unlawful for the Issuer to perform or comply with its payment obligations under the Transaction Documents;
- (f) the Security ceases for any reason to be valid and enforceable or in full force and effect or is declared null and void;
- (g) the Senior Note Purchase Facility Agreement or any of the Senior Notes are repudiated by the Issuer.

Upon the occurrence of an Event of Default, the Funding Agents (acting unanimously) may send a written notice to the Issuer Security Trustee (an **Enforcement Notice**), following which all amounts due in respect of the Senior Notes will become immediately due and payable and amounts will be paid in accordance with the Post-Enforcement Priority of Payments pursuant to the Cash Management Agreement.

Transfer of Senior Notes

A Senior Note Purchaser may assign all or any portion of its Relevant Senior Note Purchaser Commitment, its interests in Senior Notes or any of its other rights and obligations to an affiliate of such Senior Note Purchaser, subject to the delivery of the prescribed assignment documentation under the Senior Note Purchase Facility Agreement. Any transfer of the Senior Notes to non-affiliates of the relevant Senior Note Purchaser is permitted with the prior consent of the Seller (such consent not to be unreasonably withheld). Following an Early Amortisation Event or an Event of Default, the Senior Notes may be transferred to any entity without the consent of the Seller.

Governing law

The Senior Note Purchase Facility Agreement, and all non-contractual rights arising in connection with it, will be governed by and construed in accordance with English law

Deed of Charge

On or about the Closing Date the Issuer, the Issuer Security Trustee and the Senior Note Purchasers, *inter alios*, will enter into the Deed of Charge. Pursuant to the terms of the Deed of Charge, the Issuer will secure certain rights of the Senior Note Purchasers and other creditors of the Issuer (together, the **Secured Creditors**).

Security

Under the terms of the Deed of Charge, the Issuer will, *inter alia*, for the benefit of the Issuer Security Trustee:

- (a) assign absolutely by way of a first fixed security (and, to the extent not assigned, charge by way of a first fixed charge) all of its right, title, interest and benefit, present and future, in, to, under and pursuant to the Purchased Receivables, in and to all monies, rights, powers and property distributed or derived from, or accrued in or related to the Issuer's interest in the Purchased Receivables, and all of its powers relative thereto;
- (b) assign absolutely by way of a first fixed security (and, to the extent not assigned, charge by way of a first fixed charge) (but subject to the right of reassignment) any right, title, interest and benefit under each Transaction Document to the extent governed by English law or Northern Irish law (other than the Deed of Charge) which, in the case of the Hedging Agreements, is subject to netting and set-off provisions;
- (c) assign absolutely by way of a first fixed security (and, to the extent not assigned, charge by way of a first fixed charge) (but subject to the right of reassignment) any right, title, interest and benefit under each of the Seller Collection Account Trust (created pursuant to the Seller Collection Account Declaration of Trust) and the trust relating to proceeds received from the cars (created pursuant to the Receivables Purchase Agreement);
- (d) charge by way of a first fixed charge (and, to the extent not charged, assign by way of a first fixed security) the benefit of the Issuer's right, title and interest in and to the Issuer Bank Accounts and any bank or other accounts in which the Issuer may at any time have or acquire any right, interest or benefit, including, for the avoidance of doubt, any amounts standing to the credit of such accounts from time to time, all interest paid or payable in relation to such amounts and all debts represented by such amounts;
- (e) charge by way of a first fixed charge all of its rights in respect of the Authorised Investments made or purchased from time to time by or on behalf of the Issuer (whether owned by it or held by any

nominee on its behalf), and all interest, moneys and proceeds paid or payable in relation to those Authorised Investments;

- (f) charge by way of a first fixed charge all of its rights in respect of the benefit of all authorisations (statutory or otherwise) held in connection with its use of any Charged Property, and any compensation which may be payable to it in respect of those authorisations,

together with all Scottish assigned rights, the **Security or Charged Property**.

The Issuer will also charge, by way of a first floating charge, all of its assets (including, without limitation, its uncalled capital) other than any assets at any time otherwise effectively charged or assigned by way of fixed charge or assignment under the Deed of Charge (but excepting from the foregoing exclusion all of the Issuer's undertaking, property and assets situated in Scotland or any rights which are governed by Scots law, all of which are charged by the floating charge).

Whether a fixed security interest expressed to be created by the Deed of Charge will be upheld as a fixed security interest rather than floating security will depend, among other things, on whether the Issuer Security Trustee has the requisite degree of control under the Transaction Documents over the Issuer's ability to deal in the relevant assets and the proceeds thereof, and if so, whether such control is exercised by the Issuer Security Trustee in practice. Senior Noteholders should assume that there is a floating charge only over the Charged Property.

The Security will become enforceable following the service of an Enforcement Notice on the Issuer pursuant to the Senior Note Purchase Facility Agreement.

Account Bank Agreement

On or about the Closing Date the Issuer, the Cash Manager and the Issuer Account Bank, *inter alios*, will enter into an Account Bank Agreement (the **Account Bank Agreement**). Pursuant to the terms of the Account Bank Agreement, the Issuer will maintain the General Collection Account, the Principal Account, the Interest Account, the General Reserve Account, the Additional Interest Account, the Commingling Reserve Account, the Set-Off Reserve Account and the swap collateral accounts (the **Issuer Bank Accounts**) with the Issuer Account Bank.

The Account Bank Agreement will set out the terms of the appointment of the Issuer Account Bank and related functions, and the terms upon which the Issuer Bank Accounts will be operated.

Cash Management Agreement

The Issuer will enter into an agreement with BNP Paribas Securities Services S.C.A. (the **Cash Manager**) whereby it will provide certain cash management services to the Issuer in relation to Receivables and the Issuer Bank Accounts in its capacity as Cash Manager, and maintain a register (in respect of the Senior Notes (the **Senior Note Register**) and in respect of the Subordinated Notes (the **Subordinated Note Register**)) setting out details of, amongst other things, the Principal Amount Outstanding of the Senior Notes and the Subordinated Notes and the registered owner of the Senior Notes and the Subordinated Notes from time to time, in its capacity as Registrar.

The Registrar is obliged, on the CISX Notification Date, to notify Ogier Corporate Finance Limited (as Listing Sponsor) (on behalf of the Issuer) of the Principal Amount Outstanding at the close of the London Business Day immediately prior to the CISX Notification Date. **CISX Notification Date** means each Note Payment Date.

The Cash Manager will be empowered to make the relevant payment instructions (if authorised by an Authorised Signatory) required to the Issuer Bank Accounts, prior to the occurrence of an Event of Default

in respect of the Issuer. Following the occurrence of an Event of Default in respect of the Issuer, the Cash Manager shall act as an agent of the Issuer Security Trustee and deliver all monies, documents and records (including sample signatures and stamp cards) to the Issuer Security Trustee or as the Issuer Security Trustee (acting on the written directions of the Funding Agents) directs by a notice in writing.

The Cash Manager's principal function will be effecting and monitoring payments to and from the Issuer Bank Accounts. As part of its duties, the Cash Manager will determine the amounts and payments made to and from the General Collection Account in respect of the present transaction, the Principal Account, the Interest Account, the General Reserve Account, the Commingling Reserve Account, the Set-Off Reserve Account, and the Additional Interest Account, and maintain the books of the Principal Deficiency Ledger, the Contract Management Fees Ledger, the Subsidised Interest Ledger, the Issuer Profit Ledger and the Swap Collateral Ledger.

The General Reserve Account, the Commingling Reserve Account and the Set-Off Reserve Account will contain reserves sized to mitigate any risks that may arise in relation to the transaction structure. The Additional Interest Account will be used in connection with credits and debits relating to arrangements under which the relevant car dealer or Peugeot Motor Company Ltd or Citroën UK Ltd agrees to subsidise the rate of interest payable by a customer under an Auto Loan Contract (**Subsidised Interest Arrangements**), or the credit facility fees relating to the management and administration of the contract, due and payable by the customer to the Seller in accordance with the provisions of the relevant Auto Loan Contract (**Contract Management Fees**).

In particular, the Cash Manager will calculate on each Calculation Date the available interest amounts and the available principal amounts, and will apply, or cause to be applied, such available interest amounts in accordance with the Interest Priority of Payments and available principal amounts in accordance with the Principal Priority of Payments during the Revolving Period.

During the Revolving Period and the Amortisation Period, the Cash Manager will, on each Note Payment Date, apply the available interest amount in accordance with the **Interest Priority of Payments**, in the following order of priority:

- (a) in payment of the Issuer's expenses in the following order of priority:
 - (i) in or towards payment *pro rata* and *pari passu* of all fees, costs, expenses and other amounts due to (A) the Issuer Security Trustee and any Receiver or other Appointee pursuant to the Deed of Charge or the other transaction documents and (B) and BNP Paribas Trust Corporation UK as the BPF-UK Security Trustee under the Vehicle Floating Charge and the other transaction documents;
 - (ii) in or towards payment on a *pro rata* and *pari passu* basis of all fees, costs, expenses and other amounts due to (A) the Issuer Account Bank under the Issuer Account Bank Agreement or the other Transaction Documents; (B) any custodian under the relevant custody agreement; and (C) the Corporate Services Provider pursuant to the Corporate Services Agreement;
 - (iii) in or towards payment of all fees, costs, expenses and other amounts due to the Cash Manager and Registrar pursuant to the Cash Management Agreement or the other Transaction Documents;
 - (iv) in or towards payment on a *pro rata* and *pari passu* basis of all fees, costs, expenses and other amounts due to the Servicer, pursuant to the Servicing Agreement and any Back-Up Servicer pursuant to the terms of any Back-Up Servicing Agreement;
 - (v) to credit the Issuer Profit Ledger in an amount equal to £100 per Note Payment Date;

- (vi) in or towards payment of, to the extent such amount can not be satisfied out of the Issuer Profit Ledger, any Taxes due by the Issuer; and
- (vii) in or towards payment of any amounts due to third parties by the Issuer without breach of the relevant terms of the Transaction Documents;
- (b) in or towards payment on a *pro rata* and *pari passu* basis of any net swap amounts and of any swap termination payment (other than any swap subordinated termination payments (if any)) due to the Issuer Swap Counterparties under the Interest Rate Swap Agreements;
- (c) in or towards payment of the senior Deferred Consideration due and payable on such Note Payment Date to the Seller;
- (d) in or towards payment on a *pro rata* and *pari passu* basis of the Senior Note Interest Amounts due and payable in respect of the Interest Period ending on such Note Payment Date and, in priority to such payment, payment on a *pro rata* and *pari passu* basis of any senior notes interest shortfall;
- (e) in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof, (A) of a transfer to the credit of the General Reserve Account of such amount as is necessary for the credit of the General Reserve Account to be equal to the General Reserve Required Amount applicable on that Note Payment Date, as calculated by the Cash Manager, and (B) to pay interest due on Tranche A of the Reserve Loan;
- (f) in the event that the Servicer has failed to provide the Monthly Servicer Report on or prior to the Calculation Date, to credit all remaining amounts to the General Collection Account;
- (g) in or towards payment to the credit of the Principal Account of an amount equal to the Principal Deficiency Amount as calculated by the Cash Manager in respect of such Note Payment Date;
- (h) in or towards payment of any Senior Note Additional Amounts and any Senior Note Additional Shortfall to the Senior Noteholders *pro rata* to and *pari passu* with the payment of all other amounts due to the Senior Note Purchasers and the Funding Agents pursuant to the terms of the Senior Note Purchase Facility Agreement;
- (i) in or towards payment to the Seller of the Interest Component Purchase Price (if any) of the Purchased Receivables purchased on the penultimate Subsequent Purchase Date prior to such Note Payment Date;
- (j) in payment to the Seller of the Interest Component Purchase Price (if any) or such portion of the Interest Component Purchase Price of any Purchased Receivables purchased on any prior Purchase Date that is due and payable but not paid in full, on such Note Payment Date;
- (k) in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof, of the swap subordinated termination payments (if any) due to the relevant Issuer Swap Counterparty under the relevant Interest Rate Swap Agreement;
- (l) in or towards payment on a *pro rata* and *pari passu* basis of the Subordinated Notes Interest Amounts due and payable to the Subordinated Note Purchaser and, in priority to such payment, payment of any Subordinated Notes Interest Amounts, calculated by the Cash Manager on previous Note Payment Dates and remaining due and unpaid on such Note Payment Date;
- (m) in or towards payment on a *pro rata* and *pari passu* basis to (i) the commingling reserve account by an amount equal to the commingling reserve increase amount (i.e. to top it up to the required

amount) (if any) and (ii) the set-off reserve account by an amount equal to the set-off reserve increase amount (i.e. to top it up to the required amount) (if any);

- (n) in or towards repayment of amounts outstanding under the Reserve Loan to the Reserve Lender such amounts to be applied firstly to repay the Tranche A Advances and thereafter *pro rata* and *pari passu* to repay the Tranche B Advances and the Tranche C Advances, and
- (o) any surplus to be applied towards payment of any junior Deferred Consideration to the Seller.

During the Revolving Period and the Amortisation Period, the Cash Manager will, on each Note Payment Date, apply the available principal amount in accordance with the **Principal Priority of Payments**, in the following order of priority:

- (a) during the Amortisation Period only, in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof, in payment of the Class A Notes Amortisation Amounts due to the Senior Note Purchasers;
- (b) to the extent not repurchased pursuant to the relevant terms of the Receivables Purchase Agreement, payment of the Principal Component Purchase Price of each Receivable purchased on the Subsequent Purchase Date preceding such Note Payment Date to the Seller;
- (c) during the Amortisation Period only, in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof, of the Subordinated Notes Amortisation Amounts due to the Subordinated Noteholder; and
- (d) any surplus to be retained in the Principal Account to be applied as available principal amount on the immediately following Note Payment Date.

Following an Early Amortisation Event, the sum of (i) the available interest amount and (ii) the available principal amount and (iii) the amounts standing to the credit to the of the Principal Account and the Interest Account (if any) other than any Swap Tax Credits will be applied on each Note Payment Date in accordance with the **Accelerated Amortisation Priority of Payments** in the following order of priority:

- (a) payment of the Issuer's expenses in the following order:
 - (i) in or towards payment *pro rata* and *pari passu* of all fees, costs, expenses and other amounts due to (A) the Issuer Security Trustee and any Receiver or other Appointee pursuant to the Deed of Charge or the other Transaction Documents and (B) BNP Paribas Trust Corporation UK as the BPF-UK Security Trustee under the Vehicle Floating Charge and the other Transaction Documents;
 - (ii) in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof, all fees, costs, expenses and other amounts due to (A) the Issuer Account Bank under the Issuer Account Bank Agreement or the other Transaction Documents, (B) any custodian under the relevant custody agreement and (C) the Corporate Services Provider pursuant to the Corporate Services Agreement;
 - (iii) in or towards payment of all fees, costs, expenses and other amounts due to the Cash Manager and Registrar pursuant to the Cash Management Agreement or the other Transaction Documents;
 - (iv) in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof, of all fees, costs, expenses and other amounts due to the Servicer, pursuant to the Servicing

Agreement and any Back-Up Servicer pursuant to the relevant Back-Up Servicing Agreement;

- (v) to credit the Issuer Profit Ledger in an amount equal to £100 per Note Payment Date;
 - (vi) in or towards payment to the extent such amount can not be satisfied out of the Issuer Profit Ledger of any Taxes due by the Issuer; and
 - (vii) in or towards payment of any amounts due to third parties by the Issuer without breach of the relevant terms of the Transaction Documents.
- (b) in or towards payment on a *pro rata* and *pari passu* basis of any net swap amounts and of any swap termination payments (other than any swap subordinated termination payments (if any)) due to the Issuer Swap Counterparties under the Interest Rate Swap Agreements;
 - (c) in or towards payment of the senior Deferred Consideration due and payable on such Note Payment Date to the Seller;
 - (d) in or towards payment on a *pro rata* and *pari passu* basis of the Senior Note Interest Amounts due and payable in respect of the Interest Period ending on such Note Payment Date and, in priority to such payment, payment on a *pro rata* and *pari passu* basis of any Senior Notes Interest Shortfall;
 - (e) in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof; (A) transfer to the credit of the General Reserve Account of such amount as is necessary for the credit of the General Reserve Account to be equal to the General Reserve Required Amount applicable on that Note Payment Date, as calculated by the Cash Manager, and (B) to pay interest due on Tranche A of the Reserve Loan;
 - (f) in or towards payment of redemption in full of the Senior Notes (on a *pro rata* and *pari passu* basis);
 - (g) in or towards payment of any Senior Note Additional Amounts and any senior note additional amount shortfall to the Senior Note Purchasers *pro rata* and *pari passu* with the payment of all other amounts due to the Senior Note Purchasers and the Funding Agents pursuant to the terms of the Senior Note Purchaser Facility Agreement;
 - (h) in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof payment of the swap subordinated termination payments (if any) due to the relevant Issuer Swap Counterparty under the relevant Interest Rate Swap Agreement;
 - (i) in or towards payment to the Seller of the Interest Component Purchase Price (if any) of the Purchase Receivables purchased on the penultimate Subsequent Purchase Date prior to such Note Payment Date;
 - (j) payment to the Seller of the Interest Component Purchase Price (if any) or such portion of the Interest Component Purchase Price of any Subsequent Purchased Receivables purchased on any prior Purchase Date that is due and payable but not paid in full, on such Note Payment Date;
 - (k) in or towards payment on a *pro rata* and *pari passu* basis of the Subordinated Interest Amounts due in respect of the Subordinated Notes and, in priority to such payment, payment of any subordinated interest amounts shortfall;
 - (l) in or towards redemption in full of the Subordinated Notes;

- (m) in or towards payment of the principal amount of the Reserve Loan to the Reserve Lender, such amounts to be applied firstly to repay the Tranche A Advances and thereafter *pro rata* and *pari passu* to repay the Tranche B Advances and the Tranche C Advances;
- (n) any surplus to be applied as payment of any junior Deferred Consideration to the Seller.

Any swap collateral account shall be operated by the Cash Manager in accordance with the swap collateral account priorities of payment, and the relevant Interest Rate Swap Agreement.

Under the swap collateral account priorities of payment, any amounts standing to the credit of the swap collateral account will be applied by the Cash Manager in or towards payment to the relevant Issuer Swap Counterparty, towards payment of any termination payment and/or towards payment of a premium to a replacement Issuer Swap Counterparty (as applicable).

Following the delivery of an Enforcement Notice, the Issuer Security Trustee is empowered to apply all amounts standing to the credit of the General Collection Account (other than amounts standing to the credit of the swap collateral accounts and any Tax Credits, amounts standing to the credit of the Commingling Reserve Account and amounts standing to the credit of the Set-Off Reserve Account) on each Note Payment Date in the following order of priority (the **Post-Enforcement Priority of Payments**):

- (a) payment of the Issuer's expenses in the following order:
 - (i) in or towards payment *pro rata* and *pari passu* of all fees, costs, expenses and other amounts due to (A) the Issuer Security Trustee and any Receiver or other Appointee pursuant to the Deed of Charge or the other Transaction Documents and (B) BNP Paribas Trust Corporation UK as the BPF-UK Security Trustee under the Vehicle Floating Charge and the other Transaction Documents;
 - (ii) in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof, all fees, costs, expenses and other amounts due to (A) the Issuer Account Bank under the Issuer Account Bank Agreement or the other Transaction Documents, (B) any custodian under the relevant custody agreement and (C) the Corporate Services Provider pursuant to the Corporate Services Agreement;
 - (iii) in or towards all fees, costs, expenses and other amounts due to the Cash Manager and Registrar under the Cash Management Agreement or the other Transaction Documents; and
 - (iv) in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof, of all fees, costs, expenses and other amounts due to the Servicer, pursuant to the Servicing Agreement and any Back-Up Servicer pursuant to the relevant Back-Up Servicing Agreement;
- (b) in or towards payment on a *pro rata* and *pari passu* basis of any net swap amounts and of any swap termination payments (other than any swap subordinated termination payments (if any)) due to the Issuer Swap Counterparties under the Interest Rate Swap Agreements;
- (c) in or towards payment of the senior Deferred Consideration due and payable on such Note Payment Date to the Seller;
- (d) in or towards payment on a *pro rata* and *pari passu* basis of the Senior Note Interest Amounts due and payable in respect of the Interest Period ending on such Note Payment Date and, in priority to such payment, payment on a *pro rata* and *pari passu* basis of any senior notes interest shortfall;
- (e) in or towards payment of redemption in full of the Senior Notes (on a *pro rata* and *pari passu* basis);

- (f) in or towards payment of any Senior Note Additional Amounts and any Senior Note Additional Shortfall to the Senior Note Purchasers *pro rata* and *pari passu* with the payment of all other amounts due to the Senior Note Purchasers and the Funding Agents pursuant to the terms of the Senior Note Purchaser Facility Agreement;
- (g) in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof of the swap subordinated termination payments (if any) due to the relevant Issuer Swap Counterparty under the relevant Hedging Agreement;
- (h) in or towards payment to the Seller of the Interest Component Purchase Price (if any) of the Purchase Receivables purchased on the penultimate Subsequent Purchase Date prior to such Note Payment Date;
- (i) payment to the Seller of the Interest Component Purchase Price (if any) or such portion of the Interest Component Purchase Price of any Subsequent Purchased Receivables purchased on any prior Purchase Date that is due and payable but not paid in full, on such Note Payment Date;
- (j) in or towards payment on a *pro rata* and *pari passu* basis of the Subordinated Interest Amounts due in respect of the Subordinated Notes and, in priority to such payment, payment of any Subordinated Interest Amounts Shortfall;
- (k) in or towards redemption in full of the Subordinated Notes;
- (l) in or towards payment of the principal amount of the Reserve Loan to the Reserve Lender, such amounts to be applied firstly to repay the Tranche A Advances and thereafter *pro rata* and *pari passu* to repay the Tranche B Advances and the Tranche C Advances; and
- (m) any surplus to be applied as payment of any junior Deferred Consideration to the Seller.

Remuneration of the Cash Manager

The Cash Manager will receive a fee to be agreed between itself and the Issuer and the Funding Agents for its cash management services under the Cash Management Agreement.

The fees are payable on each Note Payment Date in the manner contemplated by and in accordance with the relevant Priority of Payments.

Hedging Agreements

The Issuer may, from time to time, enter into interest rate swap agreements (each an **Interest Rate Swap Agreement** and (together the **Interest Rate Swap Agreements** or the **Hedging Agreements**) with one or more Issuer Swap Counterparties for the purpose of, *inter alia*, protecting itself against certain interest rate risks related to the Auto Loan Contracts and/or the Senior Notes.

Interest Rate Swap Agreement

The Auto Loan Contracts will pay a fixed rate of interest for a period of time. However, the Sterling payments to be made by the Issuer under the Senior Notes will vary. To provide a hedge against the possible variance between the rates of interest payable on the Auto Loan Contracts from which the Receivables arise and the interest payments to be made by the Issuer under the Senior Notes, the Issuer may enter into one or more interest rate swap transactions in respect of the Senior Notes under an Interest Rate Swap Agreement (each such transaction an **Interest Rate Swap**) with an Issuer Swap Counterparty

Under the terms of each Interest Rate Swap, in the event that the rating of the relevant Issuer Swap Counterparty or any guarantor of the relevant Issuer Swap Counterparty's obligations is downgraded below the rating specified in the Interest Rate Swap Agreement, the relevant Issuer Swap Counterparty may be required to take certain remedial measures which may include providing collateral for its obligations under the Interest Rate Swap, arranging for its obligations under the Interest Rate Swap to be transferred to an entity with ratings required by the rating agency, procuring another entity with the ratings required by the rating agency to become co-obligor or guarantor in respect of its obligations under the Interest Rate Swap (such guarantee to be provided in accordance with the then current guarantee criteria of the rating agency), or taking such other action as it may agree with the rating agency. A failure to take such steps within the periods set out in the Interest Rate Swap Agreement will allow the Issuer to terminate the relevant Interest Rate Swap.

Each Interest Rate Swap may also be terminated in certain other circumstances set out in the relevant Interest Rate Swap Agreement including:

- if there is a failure by either party to make timely payments of any amounts due under the Interest Rate Swap Agreement, by the other party; and
- upon the insolvency of the Issuer Swap Counterparty or any guarantor of the Issuer Swap Counterparty's obligations by the Issuer.

Upon the early termination of an Interest Rate Swap, the Issuer or the Issuer Swap Counterparty may be liable to make a termination payment to the other in accordance with the provisions of the Interest Rate Swap Agreement. Any termination payment made by the Issuer Swap Counterparty to the Issuer in respect of an Interest Rate Swap will first be used to pay a replacement Issuer Swap Counterparty to enter into a replacement Interest Rate Swap with the Issuer. Any premium received by the Issuer from a replacement Issuer Swap Counterparty in respect of a replacement Interest Rate Swap will first be used to make any termination payment due and payable by the Issuer with respect to the previous Interest Rate Swap. Any tax credits obtained by the Issuer which relate to any deduction or withholding for or on account of tax which the Issuer Swap Counterparty has grossed the Issuer up for under an Interest Rate Swap will first be used to reimburse the relevant Issuer Swap Counterparty for such gross-up in an amount up to the value of the cash benefit of that tax credit.

If a withholding or deduction for or on account of taxes is imposed on payments made by an Issuer Swap Counterparty to the Issuer under any Interest Rate Swap, that Issuer Swap Counterparty shall (subject to certain exceptions) be obliged to gross up those payments so that the amount received by the Issuer is equal to the amount which would have been received in the absence of such withholding or deduction. If a withholding or deduction for or on account of taxes is imposed on payments made by the Issuer to an Issuer Swap Counterparty under an Interest Rate Swap, the Issuer shall not be obliged to gross up.

Any amounts in respect of tax credits will be paid to the Issuer Swap Counterparty directly and not via the relevant Priority of Payments.

Reserve Loan Agreement

On or about the Closing Date, the Issuer, the Issuer Security Trustee and Banque PSA Finance S.A., UK branch (as Reserve Loan Provider) will enter into a reserve loan agreement (the **Reserve Loan Agreement**). Pursuant to the Reserve Loan Agreement, Banque PSA Finance S.A., UK branch will agree to make funds available to the Issuer to enable the Issuer to fund the General Reserve, the Commingling Reserve and the Set-Off Reserve from time to time.

Subordinated Note Purchase Facility Agreement

On or about the Closing Date, the Issuer will enter into the Subordinated Note Purchase Facility Agreement pursuant to which up to £345,999,503 Subordinated Notes due January 2021 (the **Subordinated Notes**) will be constituted (the **Subordinated Note Purchase Facility Agreement**). The Subordinated Note Purchase Facility Agreement will authorise the creation and issue of the Subordinated Notes. The Subordinated Notes will not be listed.

Corporate Services Agreement

On or about the Closing Date, the Issuer and the Corporate Services Provider, *inter alios*, will enter into a corporate services agreement (the **Corporate Services Agreement**). Pursuant to the Corporate Services Agreement, the Corporate Services Provider will provide independent corporate services to the Issuer.

DESCRIPTION OF THE ISSUER

The Issuer is a newly formed entity, incorporated under the Companies Act 2006 (as amended), and has no significant operating history other than that which is incidental to its incorporation, the authorisation and issue of the Senior Notes under the Notes Listing and activities incidental to the exercise of its rights and compliance with its obligations under the Senior Notes, and activities incidental to the acquisition of the Receivables (the **Acquisition**).

The Issuer has been incorporated for, *inter alia*, the principal purpose of issuing the Senior Notes to be listed on the Channel Islands Stock Exchange and is a Special Purpose Vehicle for the purposes of the Listing Rules.

The Issuer was incorporated as a private limited liability company under the laws of England and Wales on 2 October 2012 for an unlimited period with the name Auto ABS UK Loans plc and having its registered office at the date hereof at 35 Great St. Helen's, London EC3A 6AP (registered number 8237499).

At the date of these Listing Particulars, the issued share capital of the Issuer is £50,000 represented by 50,000 shares with a nominal value of £1,49,999 shares of which are partly-paid up in cash of 25p each, and one of which is fully paid up.

The Issuer is subject to the provisions of the laws of England and Wales.

The objects of the Issuer are set out in its Memorandum of Association.

The auditors of the Issuer are Deloitte LLP, having its registered office at 2 New Street Square, London EC4A 3BZZ. As at the date of these Listing Particulars, the Issuer has not prepared any audited financial statements.

The financial year end of the Issuer is 31 December.

DIRECTORS, MANAGEMENT AND ADMINISTRATION OF THE ISSUER

Directors

The Issuer is managed by its Board of Directors, which is appointed by agreement of the shareholders, and is composed of at least two members who need not be shareholders of the Issuer. There are no statutory provisions regarding the nationality or domicile of Board members.

As at the date of these Listing Particulars, the following have been elected to the Board of Directors of the Issuer:

- SFM Directors Limited
- SFM Directors (No.2) Limited
- Claudia Wallace

The business address for the above Directors is: Auto ABS UK Loans plc, c/o Structured Finance Management Limited, 35 Great St. Helen's, London EC3A 6AP.

There are no present remuneration or other benefits paid by the Issuer to the Directors of the Issuer. All fees and other payments to third parties related to the administration of the Issuer are concluded on an arm's length basis.

At the date of these Listing Particulars, none of the Directors of the Issuer owns any shares in the Issuer or subscription rights or has any other direct personal financial interest in the share capital of any of the proposed investments. No underlying assets have been granted by the Issuer to any of its Directors and no stock-option schemes have been established by the Issuer in favour of the Directors.

There are no employees of the Issuer.

CAPITALISATION AND INDEBTEDNESS OF THE ISSUER AS OF 21 DECEMBER 2012

(immediately after issue of the Senior Notes)

Issued share capital	GBP 50,000
(represented by 50,000 ordinary shares of a nominal value of GBP 1)	
Reserves	GBP 107,822,084.90 (does not include the credit balance of the Additional Interest Account)
Class A1 Notes	GBP 275,000,000
Class A2 Notes	GBP 275,000,000
Class A3 Notes	GBP 184,000,000
Subordinated Notes	GBP 345,999,503
Total	GBP 1,187,871,587.90

As at the date of these Listing Particulars, the Issuer has no cash warrants and/or convertible notes outstanding.

DIVIDEND POLICY

The Issuer intends to distribute all available cash flow to its shareholder(s), following satisfaction of all obligations under the Senior Notes, the Transaction Documents, applicable laws and regulations, and adequate provision being made for working capital requirements and for liabilities (whether actual or contingent).

As at the date of these Listing Particulars, no dividends have been declared or paid by the Issuer since the date of its incorporation.

THE PORTFOLIO

The section below describes in summary the Portfolio. Prospective Noteholders should consider carefully all the information contained in this document, including the considerations set out below, before making any decision. Such summary should be read in conjunction with the information appearing elsewhere in these Listing Particulars.

General

The Portfolio comprises Auto Loan Contract Receivables originated by the Seller in the UK, together with related Car Resale Price Receivables and Ancillary Rights, and purchased by the Issuer on the Closing Date and on each Subsequent Purchase Date.

The Purchased Receivables will be purchased (subject to the Scottish Declaration of Trust) by the Issuer from the Seller pursuant to the terms of the Receivables Purchase Agreement. The information contained in this section relates to the Receivables which will satisfy the Eligibility Criteria as at the Closing Date and on each Subsequent Purchase Date, on which date the Purchased Receivables will be transferred by the Seller to the Issuer.

The Auto Loan Contract Receivables

The Auto Loan Contract Receivables comprise amounts due under Auto Loan Contracts and all rights of Seller under such Auto Loan Contract (other than title to the relevant car). Auto Loan Contracts are available for both new and used vehicles. Auto Loan Contracts carry a fixed rate of return, typically amortised in equal monthly instalments (although a small number have a larger mandatory final payment) over the relevant repayment period. The customer is the registered keeper of the car, although the Seller remains the owner unless and until the customer exercises (in the case of the Auto Loan Contract which is a personal contract purchase plan contract) its option to purchase the car or otherwise pays (in the case of the Conditional Sale Contracts) the final repayments under the Auto Loan Contract.

The Car Resale Price Receivables

The Car Resale Price Receivables comprise of all rights of the Seller in respect of the proceeds in respect of any retained vehicles whether as a result of any terminated or defaulted receivable.

The Purchased Receivables

On the Closing Date, pursuant to the terms of the Receivables Purchase Agreement, the Seller will assign and transfer (subject to the Scottish Declaration of Trust) to the Issuer the Purchased Receivables. The Outstanding Balance of the Receivables as at the Selection Date will be approximately £1,079,999,502.15.

Representations and Warranties in respect of the Portfolio

None of the Issuer or the Issuer Security Trustee has undertaken or will undertake any investigation to verify the details of the Purchased Receivables and each will rely solely on the representations and warranties given by the Seller to the Issuer pursuant to the Receivables Purchase Agreement. Pursuant to the Receivables Purchase Agreement and on the Eligibility Criteria, the Seller will make certain representations and warranties to the Issuer regarding, among other things, its status, the Purchased Receivables and the related Auto Loan Contracts. Such representations and warranties will be given to the Issuer on the Closing Date, and on each date on which further Receivables are purchased.

Insurance Policies

The Auto Loan Contract requires the customer to take out comprehensive motor insurance and to pay to the Seller the proceeds of any claim upon the loss, theft or damage beyond repair of the financed car in the Auto Loan Eligibility Criteria.

Aside from this, the Seller has maintained an unemployment insurance to cover the Payment Waiver. The **Payment Waiver** is a contractual right of the customer, pursuant to the terms of an Auto Loan Contract, not to pay any instalment (other than certain amounts relating to excess mileage, arrears, Balloon Payments or charges in respect of damage to the relevant car) for the period of up to six months following involuntary unemployment of the relevant customer and, as the case may be, to return the car following the expiry of such six month period, in each case without penalty. No assurance can be given that the Issuer will receive any benefit of any claims made under any insurance policy.

Eligibility Criteria

The Seller will select the Receivables to be transferred and assigned to the Issuer (subject to any Scottish Declaration of Trust) on the basis of the Eligibility Criteria in respect of the Receivables, and in respect of the relevant Auto Loan Contracts, which will be set out in the Receivables Purchase Agreement. In order for a Receivable to meet the Eligibility Criteria, the Receivable (or, as the case may be, its related Auto Loan Contract) must satisfy (*inter alia*) the following:

- (a) the Receivable arises pursuant to an Eligible Auto Loan Contract;
- (b) the Receivable is denominated in Sterling and the Customer has given an authorisation for the payment of the instalments due under the Auto Loan Contract by direct debit on its bank account;
- (c) the Auto Loan Contract has an original term to maturity of not less than 6 months and not more than (i) 60 months for conditional sale contracts and (ii) 37 months for personal contract purchase plan contracts;
- (d) the Auto Loan Contract has a remaining term to maturity of not less than 2 months;
- (e) the Auto Loan Contract Receivable is not a Delinquent Receivable, Defaulted Receivable or Terminated Receivable;
- (f) the original amount financed in respect to each Auto Loan Contract is equal to or greater than £500 and less than or equal to £25,000;
- (g) a minimum of one instalment has been paid by the customer to the Seller under the related Auto Loan Contract;
- (h) the loan to value ratio of the Auto Loan Contract is not more than 100%;
- (i) the customer does not have a deposit account held with the Seller;
- (j) the Auto Loan Contract is in the form of one of the Seller's standard Auto Loan Contracts (as amended from time to time), and provides for the payment of fixed interest rate and fixed monthly instalments under such contract (except the Balloon Payment for the personal contract purchase plan contracts);
- (k) the Auto Loan Contract is expressed to be governed by English, Scots or Northern Irish law;

- (l) immediately before the sale, the Seller is the absolute legal and beneficial owner of the Receivables free and clear of any third party pledge and any adverse claim;
- (m) the relevant customer is not bankrupt, insolvent, dead or suspected of fraud; and
- (n) the Auto Loan Contract requires the customer to take out comprehensive motor insurance and to pay to the Seller the proceeds of any claim upon the loss, theft or damage beyond repair of the financed car.

The Seller will also represent and warrant (*inter alia*):

- (a) as to compliance with the eligibility criteria;
- (b) that no relevant car has been repossessed by the Seller and the Seller has not given any notice, nor applied for any court order, under the Consumer Credit Act 1974, in order to repossess a car as at the Selection Date;
- (c) that to the best of the Seller's knowledge none of the Auto Loan Contracts is such that it has given rise to any liability on the part of the Seller to pay money or perform any other onerous act, other than the obligation of the Seller to pay any insurance premium, which it confirms has been paid to the relevant insurance company;
- (d) that each Purchased Receivable is clearly marked as transferred to the Issuer in the Seller/Service's records;
- (e) that in respect of the Purchased Receivables, the customers' consent is not required in respect of any transfers and assignments thereunder;
- (f) That each Auto Loan Contract is valid, binding and enforceable (subject to applicable insolvency laws and equity) and not subject to any right of withdrawal in accordance with its terms and is non-cancellable and complies with all legal and regulatory requirements applicable in England, Wales Scotland or Northern Ireland; and
- (g) that to the best of the Seller's knowledge no Customer is in material breach, default or violation of any obligations under the relevant Auto Loan Contract.

CURRENT DEBT OR INVESTMENTS OF THE ISSUER

As at the date of these Listing Particulars, the Issuer has no outstanding debt other than the Senior Notes and the Subordinated Notes.

UNITED KINGDOM TAXATION

The following applies only to persons who are the beneficial owners of Senior Notes and is a summary of the Issuer's understanding of current United Kingdom law and published HM Revenue and Customs practice relating only to United Kingdom withholding tax treatment of payments of principal and interest in respect of Senior Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Senior Notes and Noteholders will need to obtain their own tax advice on this. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

Interest on the Senior Notes

Payment of Interest on the Senior Notes

Payments of interest on the Senior Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Senior Notes continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The Channel Islands Stock Exchange is a recognised stock exchange. The Senior Notes will satisfy this requirement if they are officially listed in Guernsey in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the Channel Islands Stock Exchange. Provided, therefore, that the Senior Notes remain so listed, interest on the Senior Notes will be payable without withholding or deduction on account of United Kingdom tax.

Interest on the Senior Notes may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Senior Notes is paid by a company and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Senior Notes is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest; provided that HM Revenue and Customs (HMRC) has not given a direction (in circumstances where it has reasonable grounds to believe 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.

Interest on the Senior Notes may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Senior Notes is less than 365 days and those Senior Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on the Senior Notes on account of United Kingdom income tax at the basic rate (currently 20%). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Noteholders may wish to note that, in certain circumstances, HMRC has 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 or credits interest to or receives interest for the benefit of a Noteholder. HMRC also has power, in certain circumstances, to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Senior Notes which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005 to or receives such amounts for the benefit of another person, although HMRC published practice indicates that HMRC will not exercise the power referred to above to require this information in respect of amounts payable on the redemption of

deeply discounted securities where such amounts are paid on or before 5 April 2013. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.

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 are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchanged with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

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

SUBSCRIPTION AND SALE

Any Senior Note Purchaser will be required to make certain representations and warranties as set out in Senior Note Purchase Facility Agreement, including stating that:

1 Organisation

such Senior Note Purchaser has been duly organised and is validly existing and in good standing as a corporation under the laws of the jurisdiction of its incorporation, with power and authority to own its properties and to transact the business in which it is now engaged.

2 Authority, etc.

such Senior Note Purchaser has all requisite power and authority to enter into and perform its obligations under the Senior Note Purchase Facility Agreement and the other transaction documents to which it is a party and to perform the transactions contemplated thereby.

3 Securities Act and other Registration

each Senior Note purchased by a Senior Note Purchaser will be acquired for investment only and not with a view to any public distribution thereof, and such Senior Note Purchaser has not and will not offer to sell or otherwise dispose of its Senior Notes so acquired by it (or any interest therein) in violation of any of the registration requirements of the US Securities Act of 1933, as amended, or the securities laws in any jurisdiction where they are being offered for sale to such Senior Note Purchaser has not and will not offer, sell or on-sell any Senior Notes to any persons otherwise than in circumstances which would not result and/or will not result in an offer to the public in respect of any Senior Notes for the purpose of any applicable legislation, including the Prospectus Directive. Such Senior Note Purchaser acknowledges that the Senior Notes have not been registered under the Securities Act and may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that it has no right to require the Issuer to register under the Securities Act of 1933, as amended, or any such other securities law any Senior Notes to be acquired by such Senior Note Purchaser. Such Senior Note Purchaser either (a) was not in the United States (as defined in Regulation S under the US Securities Act of 1933, as amended) when the Senior Notes were offered to it and is outside the United States as of this Agreement or (b) is an institutional investor and an "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (8) of Regulation D under the US Securities Act of 1933, as amended.

4 Shareholdings

such Senior Note Purchaser does not hold any of the issued share capital of the Issuer.

5 Insolvency Act

it is a person falling within paragraph 3 of Schedule 2A to the Insolvency Act 1986.

6 Co-operation of Senior Note Purchaser

each Senior Note Purchaser shall provide such co-operation as the Seller may reasonably require on ceasing to be a Senior Note Purchaser under the terms of the Senior Note Purchase Facility Agreement, including executing a relevant accession and transfer deed.

Transfer of Senior Notes

A Senior Note Purchaser may assign all or any portion of its Senior Note Purchaser Commitment, its interests in Senior Notes or any of its other rights and obligations to an affiliate of such Senior Note Purchaser, subject to the delivery of the prescribed assignment documentation under the Senior Note Purchase Facility Agreement. Any transfer of the Senior Notes to non-affiliates of the relevant Senior Note Purchaser is permitted with the prior consent of the Seller (such consent not to be unreasonably withheld). Following an Early Amortisation Event or an Event of Default, the Senior Notes may be transferred to any entity without the consent of the Seller.

Transfer restrictions

The Senior Note Purchase Facility Agreement requires that any transferee of the Senior Notes enters into a senior note purchaser accession and transfer deed transferring to such transferee a pro rata interest in the relevant transferor's Senior Note Purchaser Commitment and such transferor's interest in the applicable Senior Notes and other rights and obligations under the Senior Note Purchase Facility Agreement. Any assignment of the rights, title, interest and benefit of the Senior Notes or the Senior Note Purchaser Commitment must be for a minimum amount of £100,000.

GENERAL INFORMATION

Listing

Application has been made to list the Senior Notes issued under the Notes Listing on the Channel Islands Stock Exchange.

However, the Senior Notes may be listed on such stock exchange as the Issuer may decide.

Authorisations

The establishment of the Notes Listing was authorised by the Board of Directors of the Issuer on 19 December 2012. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Senior Notes.

Litigation

There are no litigation or arbitration proceedings against or affecting the Issuer or any of its assets or revenues, nor is the Issuer aware of any pending or threatened proceedings of such kind, which are or might be material in the context of the Notes Listing or the issue of the Senior Notes thereunder.

No significant change

Since 2 October 2012, being the date of incorporation of the Issuer, 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 that is material in the context of the Notes Listing or the issue of the Senior Notes thereunder.

Documents available for inspection

For a period of 14 days after the Notes Listing becomes effective, copies of the following documents may be inspected during normal business hours at the specified office of the Issuer, namely:

- (a) the Memorandum of Association of the Issuer;
- (b) the Listing Particulars;
- (c) the Transaction Documents; and
- (d) the instrument constituting the Senior Notes.

Financial statements available

For so long as the Notes Listing remains in effect or any of the Senior Notes shall be outstanding, copies of the most recent publicly available audited annual financial statements of the Issuer under either UK GAAP or IFRS may be obtained during normal business hours at the specified office of the Issuer.

ISSUER

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