

Azure Finance No. 1 plc

(a public limited company incorporated under the laws of England and Wales with registered number 11339072)

Notes	Initial Aggregate Outstanding Note Principal Amount (GBP)	Issue Price	Interest Rate / Reference Rate	Relevant Margin	Legal Maturity Date	Expected Ratings Moody's and S&P
Class A Notes	242,700,000	100%	1 Month Sterling LIBOR + Relevant Margin, the sum being subject to a floor of zero	0.80%	30 June 2027, subject to the Business Day Convention	Aaa(sf) / AA(sf)
Class B Notes	69,300,000	100%	1 Month Sterling LIBOR + Relevant Margin, the sum being subject to a floor of zero	1.55%	30 June 2027, subject to the Business Day Convention	Aa2(sf) / A-(sf)
Class C Notes	23,700,000	100%	1 Month Sterling LIBOR + Relevant Margin, the sum being subject to a floor of zero	2.15%	30 June 2027, subject to the Business Day Convention	Baa1(sf) / BBB(sf)
Class D Notes	11,000,000	100%	1 Month Sterling LIBOR + Relevant Margin, the sum being subject to a floor of zero	3.00%	30 June 2027, subject to the Business Day Convention	Ba1(sf) / BB+(sf)
Class X Notes	40,200,000	100%	1 Month Sterling LIBOR + Relevant Margin, the sum being subject to a floor of zero	3.50%	30 June 2027, subject to the Business Day Convention	Caa1(sf) / NR
Class E Notes	18,300,000	100%	6.00% per annum	N/A	30 June 2027, subject to the Business Day Convention	B1(sf) / NR

Arranger

Citigroup

Joint Lead Managers

Citigroup

Deutsche Bank

The date of this Prospectus is 9 July 2018.

Closing Date	<p>The Issuer expects to issue the Class A Notes (the "Class A Notes"), the Class B Notes (the "Class B Notes"), the Class C Notes (the "Class C Notes"), the Class D Notes (the "Class D Notes"), the Class E Notes (the "Class E Notes") and the Class X Notes (the "Class X Notes" together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the "Notes") in the classes set out above on 12 July 2018 (the "Closing Date"). The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes are together referred to in this Prospectus as the "Collateralised Notes". The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class X Notes are together referred to in this Prospectus as the "Floating Rate Notes".</p>
Residual Certificates	<p>In addition to the Notes, the Issuer will issue the Residual Certificates on the Closing Date. See "<i>CONDITIONS OF THE RESIDUAL CERTIFICATES</i>" for further details.</p>
Underlying Assets	<p>The Issuer will make payments on the Notes and the Residual Certificates from, among other sources, a portfolio comprising receivables (and certain Ancillary Rights) under or in connection with HP Agreements (the "Portfolio") originated by Blue Motor Finance Limited ("BMFL" and the "Seller") with borrowers ("Obligors") which will be purchased by the Issuer on the Closing Date. These hire purchase agreements provide for equal monthly payments over the term of the agreement (with the exception of the last payment, which may include certain fees). The Portfolio will not include PCP Contracts.</p> <p>Certain characteristics of the Portfolio are described in in the sections of this Prospectus "<i>DESCRIPTION OF THE PORTFOLIO</i>" and in "<i>PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA</i>".</p>
Credit Enhancement	<ul style="list-style-type: none">• Each Class of the Collateralised Notes will benefit from the overcollateralisation funded by the Collateralised Notes ranking junior to such Class of Notes in the relevant Priority of Payments (if any).• Through the Principal Deficiency Ledger, each Class of Collateralised Notes will also benefit from credit enhancement in the amount by which Available Revenue Receipts exceed the amounts required to pay interest on the relevant Class of Notes and all other amounts ranking in priority thereto in accordance with the Pre-Acceleration Revenue Priority of Payments, including from the Reserve Fund (i) as applicable from the Reserve Fund Excess Amount made available in the Available Revenue Receipts, (ii) on the relevant Final Class Interest Payment Date in respect of each Class (up to the balance of the sub-ledger of the Reserve Fund relating to that Class), the Legal Maturity Date and the date on which the Aggregate Outstanding Principal Balance is zero and (iii) following service of a Note Acceleration Notice.• In the case of the Class X Notes, principal payments will benefit from credit enhancement in the amount by which Available Revenue Receipts exceed the amounts required to pay interest on the Class X Notes and all other amounts ranking in priority thereto in accordance with the Pre-Acceleration Revenue Priority of Payments and, following service of a Note Acceleration Notice, the subordination of the Class E Notes and the Reserve Fund.• The Residual Certificates are subordinate to all payments due in respect of the Notes, as provided in the Residual Certificate Conditions and the Transaction Documents. <p>For further explanation, please see "<i>TRANSACTION OVERVIEW – Credit Structure and Cashflow</i>".</p>
Liquidity Support	<ul style="list-style-type: none">• In relation to each Class of Notes, the subordination in payment of those Classes of Notes (if any) ranking junior in the Pre-Acceleration Revenue Priority of Payments and the Residual Certificates.• The amounts standing to the credit of applicable sub-ledger of the Reserve Fund from time to time will serve as liquidity support for the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes and in each case certain senior expenses ranking in priority thereto throughout the life of the transaction. <p>For further explanation, please see "<i>TRANSACTION OVERVIEW – Credit Structure and Cashflow</i>".</p>
Redemption Provisions	<p>The Notes may be redeemed in whole or in part (as applicable) in the following cases:</p> <ul style="list-style-type: none">• a mandatory redemption in whole on the Legal Maturity Date;• a mandatory redemption in part on each Interest Payment Date subject to availability of Available Principal Receipts and application of Available Principal Receipts in accordance with the Pre-Acceleration Principal Priority of Payments in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, and the Class E Notes;• an optional redemption in whole exercisable by the Issuer on any Interest Payment Date following the Determination Date on which the aggregate Outstanding Principal Balance of all of the Purchased Receivables is equal to or less than 10% of the aggregate Outstanding Principal Balance of all of the Purchased Receivables as at the Cut-Off Date;• an optional redemption in whole on any Interest Payment Date exercisable by the Issuer for tax reasons; and• a mandatory redemption in part on each Interest Payment Date subject to application of Available Revenue Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments in respect of the Class X Notes. <p>Information on any optional and mandatory redemption of the Notes is summarised in the section "<i>TRANSACTION OVERVIEW - Overview of the Conditions of the Notes</i>" and set out in full in Condition 5 (<i>Redemption</i>).</p>

Credit Rating Agencies

Ratings will be assigned to the Notes by Moody's Investors Service Limited ("**Moody's**") and Standard & Poor's Credit Market Services Europe Limited ("**S&P**") on or before the Closing Date. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union ("**EU**") and registered under Regulation (EC) No 1060/2009 of the European Parliament (the "**CRA Regulation**"), as amended by Regulation (EU) No 513/2011 and by Regulation (EU) No 462/2013 ("**CRA3**"). Each of Moody's and S&P is established in the European Community and according to the press release from the European Securities Markets Authority ("**ESMA**") dated 31 October 2011, each of Moody's and S&P is registered under the CRA Regulation. Reference is made to the list of registered or certified credit rating agencies published by ESMA on the webpage <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs> as last updated on 1 May 2018.

BMFL considered the appointment of a small CRA when appointing the rating agencies for this Transaction along with Moody's and S&P.

The Residual Certificates will not be rated.

A rating was solicited from S&P in respect of the Class E and the Class X Notes but not provided.

Credit Ratings

The ratings assigned to the Notes by Moody's address, among other matters:

- the likelihood of full and timely payments due to the holders of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes of interest on each Interest Payment Date;
- the likelihood of full and ultimate payment of interest due to the holders of the Class E Notes and the Class X Notes, by a date that is not later than the Final Redemption Date; and
- the likelihood of ultimate payment to the holders of the Notes of principal in relation to the Notes on or prior to the Final Redemption Date.

The ratings assigned to the Notes by S&P address, among other matters:

- the likelihood of full and timely payments due to the holders of the Class A Notes and the Class B Notes of interest on each Interest Payment Date;
- the likelihood of full and ultimate payment of interest to the holders of the Class C Notes and the Class D Notes (where the Class C Notes and the Class D Notes are not the Most Senior Class of Notes then outstanding) respectively, by a date that is not later than the Final Redemption Date;
- the likelihood of full and timely payment of interest due to the holders of the Class C Notes (where the Class C Notes are the Most Senior Class of Notes then outstanding) and the Class D Notes (where the Class D Notes are the Most Senior Class of Notes then outstanding), respectively, on each Interest Payment Date; and
- the likelihood of ultimate payment to the holders of the Notes of principal in relation to the Notes on or prior to the Final Redemption Date.

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

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

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

The assignment of ratings to the Notes is not a recommendation to invest in the Notes. Any credit rating assigned to the Notes may be revised or withdrawn at any time.

Listing

This document comprises a prospectus (the "**Prospectus**") for the purpose of Directive 2003/71/EC as amended by Directive 2010/73/EU (the "**Prospectus Directive**"). This Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Directive. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

Application has been made to Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the Notes to be admitted to the Official List (the "**Official List**") and trading on its regulated market. References in this Prospectus to Notes being listed (and all related references) shall mean that such Notes have been admitted to trading on Euronext Dublin's regulated market. There can be no assurance that any such approval will be granted or, if granted, that such listing will be maintained. The regulated market (the "**Main Securities Market**") of Euronext Dublin is a regulated market for the purposes of Directive 2014/65/EU (the "MiFID II").

Obligations

The Notes and the Residual Certificates will be obligations of the Issuer alone and will not be guaranteed by, or be the responsibility of, any other entity. In particular, the Notes and the Residual Certificates will not be obligations of, or guaranteed by, or be the responsibility of BMFL, its affiliates or any other party to the Transaction Documents

other than the Issuer.

EU Retention Undertaking

The Seller will, on an on-going basis, retain all Class E Notes to the Issuer on an on-going basis for the life of the transaction. Such interest corresponds to a material net economic interest of not less than 5% in the securitisation in accordance with the text of paragraph (d) of Article 405(1) of Regulation (EU) No 575/2013 (the "**CRR**"), paragraph (d) of Article 51(1) of Regulation (EU) No 231/2013 ("**AIFMR**") and paragraph (d) of Article 254(2) of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (the "**Solvency II Regulation**") (in each case as they are interpreted and applied on the date hereof (and in the case of the CRR taking into account the provisions of Regulation (EU) No 625/2014 and, in the case of AIFMR taking into account Article 56 of the AIFMR) and without taking into account any implementing rules of the CRR, AIFMR or the Solvency II Regulation in a relevant jurisdiction) (such risk retention requirements together, the "**EU Retention Requirements**"). Any change in the manner in which the interest is held will be notified to the Noteholders and the Certificateholders. See the section entitled "*EU RISK RETENTION AND CERTAIN REGULATORY DISCLOSURES*" for more information. Any change to the manner in which such interest is held will be notified to investors.

Each prospective Noteholder and Certificateholder is required to independently assess and determine the sufficiency of the information described in the preceding paragraph for the purposes of complying with each of Part Five of the CRR (including Article 405), Section Five of Chapter III of the AIFMR (including Article 51) and the Solvency II Regulation and any corresponding national measures which may be relevant and neither the Issuer, nor the Seller, nor the Arrangers, nor the Joint Lead Managers nor the parties to the Transaction Documents make any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes.

U.S. Risk Retention Rules

The issuance of the Notes and the Residual Certificates has not been designed to comply with the U.S. Risk Retention Rules (as defined below) other than the exemption under Section 20 of the U.S. Risk Retention Rules and no other steps have been taken by the Issuer, the Seller, the Arranger, the Joint Lead Managers or any of their respective affiliates or any other party to accomplish such compliance.

Except with the prior consent of the Seller (a "**U.S. Risk Retention Waiver**") and where such sale falls within the exemption provided by Section 20 of the U.S. Risk Retention Rules (as defined below), the Notes and the Residual Certificates sold on the Closing Date may not be purchased by, or for the account or benefit of, any person except for persons that are not "U.S. persons" as defined in the U.S. Risk Retention Rules ("**Risk Retention U.S. Persons**"). "**U.S. Risk Retention Rules**" means Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended. Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is similar to, but not identical to, the definition of "U.S. person" in Regulation S and that persons who are not "U.S. Persons" under Regulation S may be "U.S. Persons" under the U.S. Risk Retention Rules. Each purchaser of Notes and the Residual Certificates, including beneficial interests therein will be deemed to, and in certain circumstances (including as a condition to placing an order relating to the Notes or the Residual Certificates) will be required to, represent and agree that (1) it is not a Risk Retention U.S. Person (or, if it is a U.S. Risk Retention Person, it has obtained a U.S. Risk Retention Waiver from the Seller); (2) it is acquiring such Note or such Residual Certificates or a beneficial interest therein for its own account and not with a view to distribute such Note or such Residual Certificates; and (3) it is not acquiring such Note or such Residual Certificates or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules.

Eurosystem Eligibility

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. On the Closing Date, the Class A Notes will be issued under the new safekeeping structure ("**NSS**"). This means that the Class A Notes are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as Common Safekeeper and does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. In particular, please see the risk factor entitled "*EUROSYSTEM ELIGIBILITY*" below. The Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class X Notes and the Residual Certificates will not currently qualify for Eurosystem eligibility.

Volcker Rule

The Issuer is of the view that it is not a "covered fund" under the regulations adopted to implement section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, commonly known as the "**Volcker Rule**". Although other exclusions may be available to the Issuer, this conclusion is based on the exemption from the definition of "investment company" provided by Section 3(c)(5) of the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**"). However, the general effects of the Volcker Rule remain uncertain and any prospective investors, including U.S. or foreign banks or subsidiaries or other affiliates thereof, should consult their own legal advisers regarding such matters and other effects of the Volcker Rule.

THE "RISK FACTORS" SECTION OF THIS PROSPECTUS CONTAINS DETAILS OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE GIVEN PARTICULAR CONSIDERATION BEFORE INVESTING IN THE NOTES. PROSPECTIVE INVESTORS SHOULD BE AWARE OF THE ISSUES SUMMARISED WITHIN THAT SECTION.

For reference to the definitions of capitalised terms appearing in this Prospectus, see "*GLOSSARY OF TERMS*".

IMPORTANT NOTICE

THE NOTES AND THE RESIDUAL CERTIFICATES WILL BE OBLIGATIONS OF THE ISSUER ONLY. THE NOTES AND THE RESIDUAL CERTIFICATES WILL NOT BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY PERSON OTHER THAN THE ISSUER. IN PARTICULAR, THE NOTES AND THE RESIDUAL CERTIFICATES WILL NOT BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY OF THE ARRANGER, THE JOINT LEAD MANAGERS, THE TRANSACTION PARTIES (OTHER THAN THE ISSUER) OR ANY COMPANY IN THE SAME GROUP OF COMPANIES AS ANY OF THE TRANSACTION PARTIES (OTHER THAN THE ISSUER). NO LIABILITY WHATSOEVER IN RESPECT OF ANY FAILURE BY THE ISSUER TO PAY ANY AMOUNT DUE UNDER THE NOTES OR THE RESIDUAL CERTIFICATES SHALL BE ACCEPTED BY ANY OF THE ARRANGER, THE JOINT LEAD MANAGERS, THE TRANSACTION PARTIES (OTHER THAN THE ISSUER), OR ANY COMPANY IN THE SAME GROUP OF COMPANIES AS THE ARRANGER, THE JOINT LEAD MANAGERS, THE TRANSACTION PARTIES (OTHER THAN THE ISSUER).

THE NOTES AND THE RESIDUAL CERTIFICATES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT ("**U.S. PERSONS**"), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND UNDER CIRCUMSTANCES WHICH WOULD NOT REQUIRE THE ISSUER TO REGISTER UNDER THE INVESTMENT COMPANY ACT. IN CONNECTION WITH THE INITIAL DISTRIBUTION OF THE SECURITIES OFFERED HEREBY, THE NOTES AND RESIDUAL CERTIFICATES WILL BE OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES TO PERSONS WHO ARE NOT U.S. PERSONS. THERE HAS BEEN AND WILL BE NO PUBLIC OFFERING OF THE NOTES OR RESIDUAL CERTIFICATES IN THE UNITED STATES.

EXCEPT WITH THE PRIOR CONSENT OF THE SELLER AND WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 20 OF THE U.S. RISK RETENTION RULES, THE NOTES AND RESIDUAL CERTIFICATES MAY NOT BE SOLD TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY RISK RETENTION U.S. PERSON. PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "U.S. PERSON" IN THE U.S. RISK RETENTION RULES IS SIMILAR TO, BUT NOT IDENTICAL TO, THE DEFINITION OF "U.S. PERSON" IN REGULATION S AND THAT PERSONS WHO ARE NOT "U.S. PERSONS" UNDER REGULATION S MAY BE "U.S. PERSONS" UNDER THE U.S. RISK RETENTION RULES.

THE ISSUER IS OF THE VIEW THAT IT IS NOT A "COVERED FUND" UNDER THE "VOLCKER RULE". HOWEVER, THE GENERAL EFFECTS OF THE VOLCKER RULE REMAIN UNCERTAIN AND ANY PROSPECTIVE INVESTORS, INCLUDING U.S. OR FOREIGN BANKS OR SUBSIDIARIES OR OTHER AFFILIATES THEREOF, SHOULD CONSULT THEIR OWN LEGAL ADVISERS REGARDING SUCH MATTERS AND OTHER EFFECTS OF THE VOLCKER RULE.

Governing Law

The Notes and the Residual Certificates and all non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, English law.

Form of the Notes

Each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes will be issued in registered form and in denominations of £100,000 and integral multiples of £1,000 in excess of £100,000, up to and including £199,000. Interests in each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and

the Class X Notes will be represented by an unrestricted global registered note each, a "**Global Note**", without interest coupons attached. The Global Notes representing the Class A Notes will be deposited on the Closing Date with one of Euroclear Bank SA/NV, or "**Euroclear**" or Clearstream Banking S.A. or "**Clearstream, Luxembourg**" which will act as the Common Safekeeper for the Class A Notes. The Global Notes representing the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes will be deposited on or around the Closing Date with a Common Depositary for Clearstream, Luxembourg and Euroclear. Except in certain limited circumstances, the global notes will not be exchangeable for unrestricted registered definitive notes, or "definitive notes", and no definitive notes will be issued with a denomination above £199,000.

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. On the Closing Date, the Class A Notes will be issued under NSS. This means that the Class A Notes are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as Common Safekeeper and does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. In particular, please see the risk factor entitled "*EUROSYSTEM ELIGIBILITY*" below. The Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes will not currently qualify for Eurosystem eligibility.

The Residual Certificates will be represented on issue by a global residual certificate in registered form (a "**Global Residual Certificate**"). The Residual Certificates may be issued in definitive registered form under certain circumstances.

Payments in respect of the Notes

Interest on the Notes will accrue on the Outstanding Note Principal Amount of each Note at a per annum rate equal to LIBOR plus 0.80%, the sum being subject to a floor of zero, in the case of the Class A Notes, LIBOR plus 1.55%, the sum being subject to a floor of zero, in the case of the Class B Notes, LIBOR plus 2.15%, the sum being subject to a floor of zero, in the case of the Class C Notes, LIBOR plus 3.00%, the sum being subject to a floor of zero, in the case of the Class D Notes, 6.00% in the case of the Class E Notes and LIBOR plus 3.50%, the sum being subject to a floor of zero, in the case of the Class X Notes. Interest will be payable in Sterling by reference to successive interest accrual periods (each, an "**Interest Period**") monthly in arrear on the 20th day of each calendar month, subject to the Business Day Convention (each, a "**Interest Payment Date**"). The first interest payment date will be 20 August 2018.

The Notes will mature on 30 June 2027 subject to the Business Day Convention (the "**Legal Maturity Date**"), unless previously redeemed in full (see "*CONDITIONS OF THE NOTES — Condition 5 (Final redemption)*"). Amortisation of the Notes will commence on the first Interest Payment Date, subject to availability of Available Principal Receipts and application of Available Principal Receipts in accordance with the Pre-Acceleration Principal Priority of Payments.

Payments in respect of the Residual Certificates

Each Residual Certificate represents a pro rata entitlement to receive Residual Certificate Payments on each Interest Payment Date and each date on which amounts are to be applied in accordance with the Post-Acceleration Priority of Payments.

Following the redemption in full of the Notes, the realisation of the Charged Property and payment of the proceeds of realisation in accordance with the applicable Priority of Payments, no more Residual Certificate Payments will be made by the Issuer and the Residual Certificates shall be redeemed and cancelled.

Benchmarks

Interest payable under the Floating Rate Notes is calculated by reference to LIBOR, which is provided by ICE Benchmark Administration Limited (the "**Administrator**"). As at the date of this Prospectus, the Administrator appears on the register of administrators and benchmarks established and maintained

by the European Securities and Markets Authority ("**ESMA**") pursuant to article 36 of (Regulation (EU) 2016/1011) (the "**Benchmark Regulation**").

Commercial Activities

Certain of the Arranger, the Joint Lead Managers and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer, the Seller and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Arranger, the Joint Lead Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the account of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Seller or their affiliates. Certain of the Arranger, the Joint Lead Managers or their respective affiliates that have a lending relationship with the Issuer, the Seller or their affiliates routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Arranger, Joint Lead Managers and their respective affiliate would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes and the Residual Certificates. Any such short positions could adversely affect future trading prices of the Notes and the Residual Certificates. The Arranger, the Joint Lead Managers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Responsibility Statements

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure such is the case, the information in this Prospectus, to the best of its knowledge, is in accordance with the facts and contains no omission likely to affect its import.

Where third party information has been used in this Prospectus, the source of such information has been identified. In the case of the presented statistical information, similar statistics may be obtainable from other sources, although the underlying assumptions and methodology, and consequently the resulting data, may vary from source to source. Where information has been sourced from a third party, such publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed. As far as the Issuer is aware and able to ascertain from the information published by such third party sources, this information has been accurately reproduced and no facts have been omitted that would render the reproduction of this information inaccurate or misleading.

The Seller and the Servicer accept responsibility for any information in this Prospectus relating to the Purchased Receivables and the information contained in "*EU RISK RETENTION AND CERTAIN REGULATORY DISCLOSURES*", "*PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA*" and "*THE SELLER AND THE SERVICER*" (together, the "**BMFL Information**"). Each of the Seller and the Servicer declares that, to the best of its knowledge and belief, having taken all reasonable care to ensure such is the case, the information in such sections, to the best of its knowledge, is in accordance with the facts and contains no omission likely to affect its import. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Seller and the Servicer as to the accuracy or completeness of any information contained in this Prospectus (other than in the sections referred to above and not specifically excluded therein) or any other information supplied in connection with the Notes, the Residual Certificates or their distribution.

The Cap Provider accepts responsibility for the section entitled "*THE CAP PROVIDER*" and declares that, having taken all reasonable care to ensure such is the case, the information in such section, to the best of its knowledge, is in accordance with the facts and contains no omission likely to affect its import.

No representations about the Notes and the Residual Certificates

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Transaction Parties, the Arranger or the Joint Lead Managers. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Notes and the Residual Certificates is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

To the fullest extent permitted by law, none of the Arranger, the Joint Lead Managers, the Security Trustee or the Note Trustee accepts any responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to be made by the Arranger, the Joint Lead Managers, the Note Trustee or the Security Trustee or any other person or on their behalf in connection with the Issuer or the issue and offering of the Notes or the Residual Certificates. Each of the Arranger, the Joint Lead Managers, the Note Trustee and the Security Trustee accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement.

Selling Restrictions

The Notes and the Residual Certificates have not been, and will not be, registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and under circumstances which would not require the Issuer to register under the Investment Company Act. In connection with the initial distribution of the securities offered hereby, the Notes and Residual Certificates will be offered and sold only outside the United States to persons who are not U.S. Persons. There has been and will be no public offering of the Notes or Residual Certificates in the United States.

Except with the prior consent of the Seller and where such sale falls within the exemption provided by Section 20 of the U.S. Risk Retention Rules, the Notes and Residual Certificates may not be sold to, or for the account or benefit of, any Risk Retention U.S. Person. Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is similar to, but not identical to, the definition of "U.S. person" in Regulation S under the Securities Act ("**Regulation S**") and that persons who are not "U.S. persons" under Regulation S may be "U.S. persons" under the U.S. Risk Retention Rules. The Notes and the Residual Certificates will be issued in registered form and are subject to certain United States tax law requirements.

The Notes and the Residual Certificates are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**").

Neither the delivery of this Prospectus nor any offering, sale or delivery of any Notes or the Residual Certificates shall, under any circumstances, create any implication (i) that the information in this Prospectus is correct as of any time subsequent to the date hereof, or (ii) that there has been no adverse change in the financial situation of the Issuer since the date of this Prospectus or (iii) that any other information supplied in connection with the issue of the Notes or the Residual Certificates 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.

No action has been taken by the Issuer or the Seller or the Arranger or the Joint Lead Managers other than as set out in this Prospectus that would permit a public offering of the Notes or the Residual Certificates, or possession or distribution of this Prospectus or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, no Notes or Residual Certificates may be offered or sold, directly or indirectly, and neither this Prospectus (nor any part hereof) nor any information memorandum, offering circular, form of application, advertisement or other offering materials may be issued, distributed or published in any country or jurisdiction except in compliance with applicable laws, orders, rules and regulations, and the Issuer, the Seller, the Arranger and the Joint Lead Managers have represented that all offers and sales by them have been made on such terms.

This Prospectus may only be used for the purposes for which it has been published. This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates or an offer to sell or the solicitation of any offer to buy any of the securities offered hereby in any circumstances in which such offer or solicitation is unlawful. The distribution of this Prospectus (or of any part thereof) and the offering and sale of the Notes and the Residual Certificates in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part thereof) may come, are required by the Issuer, the Seller and the Arranger and the Joint Lead Managers to inform themselves about and to observe any such restrictions. This Prospectus does not constitute, and may not be used for, or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. For a further description of certain restrictions on offerings and sales of the Notes and the Residual Certificates and distribution of this Prospectus (or of any part thereof), see "*SUBSCRIPTION AND SALE*".

If you are in any doubt about the contents of this document you should consult, as appropriate, your legal advisor, stockbroker, bank manager, accountant or other financial advisor.

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

It should be remembered that the price of securities and the income deriving from them may decrease.

The Notes and the Residual Certificates are being offered only to a limited number of investors that are willing and able to conduct an independent investigation of the characteristics of the Notes and the Residual Certificates and the risks of ownership of the Notes and the Residual Certificates. It is expected that prospective investors interested in participating in this offering will conduct an independent investigation of the risks posed by an investment in the Notes and the Residual Certificates. Prospective purchasers of the Notes and the Residual Certificates must be able to hold their investment for an indefinite period of time.

MiFID II Product Governance / Professional investors and ECPs only target market

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes and the Residual Certificates has led to the conclusion that: (i) the target market for the Notes and the Residual Certificates is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes and the Residual Certificates to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes and the Residual Certificates (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes and the Residual Certificates (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPS Regulation / Prohibition of Sales to EEA Investors

The Notes and the Residual Certificates are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or the Residual Certificates or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or the Residual Certificates or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

Interpretation

In this Prospectus, unless otherwise specified or the context otherwise requires, references to "£", "Sterling" and "Pounds Sterling" are references to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to "€" and "euros" are to the lawful currency of the Member States of the European Union that have adopted or adopt the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March, 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February, 1992), as amended by the Treaty of Amsterdam (signed in Amsterdam on 2 November, 1997), as amended by the Treaty of Nice (signed in Nice on 26 February, 2001, as amended by the Treaty of Lisbon (signed in Lisbon on 13 December 2007)) and as subsequently amended from time to time.

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

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

Forward-Looking Statements

Certain matters contained herein are forward-looking statements. Such statements appear in a number of places in this Prospectus, including with respect to assumptions on prepayment and certain other characteristics of the HP Agreements and Purchased Receivables, and reflect significant assumptions and subjective judgments by the Issuer that may not prove to be correct. Such statements may be identified by reference to a future period or periods and the use of forward-looking terminology such as "may", "will", "could", "believes", "expects", "anticipates", "continues", "intends", "plans" or similar terms. Consequently, future results may differ from the Issuer's expectations due to a variety of factors, including (but not limited to) the economic environment and regulatory changes in the auto and consumer finance industry in the United Kingdom. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Notes and the Residual Certificates are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer. The Arranger and the Joint Lead Managers have not attempted to verify any such statements, nor do they make any representations, express or implied, with respect thereto. Prospective purchasers should therefore not place undue reliance on any of these forward-looking statements. None of the Arranger, the Joint Lead Managers or the Transaction Parties assumes any obligation to update these forward-looking statements or to update the reasons for which actual results could differ materially from those anticipated in the forward-looking statements.

CONTENTS

	PAGE
RISK FACTORS	1
FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES AND THE RESIDUAL CERTIFICATES	1
RISKS RELATED TO THE TRANSACTION PARTIES	6
LEGAL RISKS	9
TAX RISKS	21
STRUCTURAL AND OTHER CREDIT RISKS	22
REGULATORY CONSIDERATIONS	31
DIAGRAMMATIC OVERVIEW	42
DIAGRAMMATIC OVERVIEW OF ON-GOING CASH FLOWS	43
DIAGRAMMATIC OVERVIEW OF THE OWNERSHIP OF THE ISSUER	44
TRANSACTION PARTIES ON THE CLOSING DATE	45
PORTFOLIO AND SERVICING	49
OVERVIEW OF THE CONDITIONS OF THE NOTES AND THE RESIDUAL CERTIFICATES	53
FULL CAPITAL STRUCTURE OF THE NOTES AND THE RESIDUAL CERTIFICATES	53
RIGHTS OF NOTEHOLDERS, CERTIFICATEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS	63
CREDIT STRUCTURE AND CASHFLOWS	69
TRIGGERS TABLES	81
RATING TRIGGERS TABLE	81
NON-RATING TRIGGERS TABLE	83
EU RISK RETENTION AND CERTAIN REGULATORY DISCLOSURES	88
DESCRIPTION OF THE NOTES WHILST IN GLOBAL FORM	90
DESCRIPTION OF THE RESIDUAL CERTIFICATES WHILST IN GLOBAL FORM	91
CONDITIONS OF THE NOTES	92
CONDITIONS OF THE RESIDUAL CERTIFICATES	132
OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS	159
DESCRIPTION OF THE PORTFOLIO	188
PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA	195
EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS	219
THE ISSUER	221
HOLDINGS	223
THE SELLER AND THE SERVICER	224
THE NOTE TRUSTEE AND SECURITY TRUSTEE	231
THE CAP PROVIDER	232

THE CORPORATE SERVICES PROVIDER	233
THE ACCOUNT BANK, CASH MANAGER, INTEREST DETERMINATION AGENT, REGISTRAR AND PAYING AGENT	234
TAXATION	235
SUBSCRIPTION AND SALE	237
USE OF PROCEEDS	240
GENERAL INFORMATION	241
GLOSSARY OF TERMS	244
INDEX OF DEFINED TERMS	279

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes and the Residual Certificates. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes and the Residual Certificates are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes and the Residual Certificates, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes and the Residual Certificates for other reasons, and the Issuer does not represent that the statements below regarding the risks of holding the Notes and the Residual Certificates are exhaustive. Prospective investors are requested to consider all the information in this Prospectus and reach their own views prior to making any investment decision. Prospective investors should make such inquiries as they consider necessary without relying on the Issuer, the Arranger, the Joint Lead Manager or any other party referred to herein.

The purchase of the Notes and the Residual Certificates is only suitable for investors (i) that possess adequate knowledge and experience in structured finance investments and have the necessary background and resources to evaluate all relevant risks related with such investments; (ii) that are able to bear the risk of loss of their investment (up to a total loss of the investment) without having to prematurely liquidate the investment; and (iii) that are able to assess the tax aspects and implications of such investment independently.

Furthermore, each potential investor should base its investment decision on its own and independent investigation and on the advice of its professional advisors (with whom the investor may deem it necessary to consult), be able to assess whether an investment in the Notes (i) is in compliance with its financial requirements, its targets and situation (or if it is acquiring the Notes in a fiduciary capacity, those of the beneficiary); (ii) is in compliance with its principles for investments, guidelines for or restrictions on investments (regardless of whether it acquires the Notes for itself or as a trustee); and (iii) is an appropriate investment for itself (or for any beneficiary if acting as a trustee), notwithstanding the risks of such investment.

Neither the Issuer, nor the Arrangers, nor the Joint Lead Managers nor any other Transaction Party is acting as an investment adviser, or assumes any fiduciary obligation, to any investor in the Notes and investors may not rely on any such entity. The Transaction Parties do not assume any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of any of the Transaction Parties.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES AND THE RESIDUAL CERTIFICATES

Various factors that may affect the Issuer's ability to fulfil its obligations under the Notes and the Residual Certificates are categorised below as either (i) risks related to the Purchased Receivables, (ii) risks relating to the parties to the Transaction Documents, (iii) legal risks, (iv) tax risks or (v) structural and other credit risks. Several risks may fall into more than one of these five categories and investors should therefore not conclude from the fact that a risk factor is discussed under a specific category that such risk factor could not also be discussed under one or more other categories.

Risks related to the Purchased Receivables

Non-existence of Purchased Receivables

If any Purchased Receivable has never existed, or ceases to exist, such that it is not outstanding on the date on which it would otherwise be due to be repurchased pursuant to the Receivables Sale and Purchase Agreement (as to which see "*RISK FACTORS – Reliance on Seller Receivables Warranties and Eligibility Criteria*" below), the Seller will be required to pay a Receivables Indemnity Amount to

the Issuer (see the definition of Receivables Indemnity Amount in the "*GLOSSARY OF TERMS — Receivables Indemnity Amount*"). If any Purchased Receivables do not exist and no Receivables Indemnity Amount is paid by the Seller, then this may result in Losses for the Noteholders and the Certificateholders.

Risk of Losses on the Purchased Receivables

The Issuer is subject to the risk of default in payment by the Obligor(s) and the inability of the Servicer, on behalf of the Issuer, to realise or recover sufficient funds under the Servicer's Credit and Collection Procedures in respect of any HP Agreement and its related Vehicle in order to discharge all amounts due and owing by the relevant Obligor(s) under such HP Agreement, which may adversely affect payments on the Notes and the Residual Certificates. This risk is mitigated to some extent by certain credit enhancement features which are described in the section entitled "*Credit Structure and Cashflow*". However, no assurance can be made as to the effectiveness of such credit enhancement features, or that such credit enhancement features will protect the Noteholders and Certificateholders from all risk of loss. Should there be credit losses arising in respect of the HP Agreements, this could have an adverse effect on the ability of the Issuer to make payments of interest and/or principal on the Notes or other amounts under the Residual Certificates.

Performance of Purchased Receivables Uncertain

The payment of principal and interest on the Notes is dependent on, among other matters, the performance of the Purchased Receivables. Accordingly, the Noteholders and the Certificateholders will be exposed to the credit risk of the Obligor(s).

The performance of the Purchased Receivables depends on a number of factors, including general economic conditions, unemployment levels, the circumstances of individual Obligor(s), BMFL's underwriting standards at origination and the success of BMFL's servicing and collection strategies. Consequently, there can be no assurance as to how the Purchased Receivables (and accordingly the Notes and the Residual Certificates) will perform based on credit evaluation scores or other similar measures.

Risk of Early Repayment

In the event that the HP Agreements underlying the Purchased Receivables are prematurely terminated or otherwise settled early, the Noteholders (other than the Class X Noteholders) will (not taking into account any loss suffered by the Issuer with respect to some or all of the Purchased Receivables, which is described above) be repaid the principal which they invested, but will receive interest and Certificateholders will receive Residual Certificate Payments for a period of time that is shorter than the period stipulated in the respective HP Agreement. In addition, faster than expected repayments on the Purchased Receivables may reduce the yield of the Notes and the Residual Certificates.

Risk of Late Payment of Monthly Instalments

Whilst each HP Agreement has due dates for scheduled payments thereunder, there is no assurance that the Obligor(s) under those HP Agreements will pay in time, or at all. Obligor(s) may default on their obligations due under the HP Agreements for a variety of financial and personal reasons, including loss or reduction of earnings, illness, divorce and other similar factors which may, individually or in combination lead to an increase in delinquencies by and bankruptcies of the Obligor(s). BMFL originates Receivables to Obligor(s) which it categorises from "prime" to "near prime", and which are allocated to a risk tier ranging from Risk Tier 1 to Risk Tier 8. In certain circumstances the credit rules allow for lending to customers who may have had impairments to their credit profile, such as a county court judgment, subject to specific conditions and restrictions and where BMFL is satisfied that the customer has shown financial stability and has been a responsible debtor since the occurrence of the relevant event (please see the section "*THE SELLER AND THE SERVICER – Underwriting – Credit underwriting*"). The Portfolio includes a small proportion of Receivables which fall into this category. Certain national and international macroeconomic factors may also contribute to or hinder the economic health of an Obligor and thus the economic performance of the Purchased Receivables. Any such failure by the Obligor(s) to make payments under the HP Agreements would have an adverse effect on the Issuer's ability to make payments under the Notes and the Residual Certificates. In

respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the Reserve Fund in part mitigates the risk of late payment by Obligors. Prior to the delivery of a Note Acceleration Notice in the event of shortfalls under the Purchased Receivables the Issuer may draw on amounts standing to the credit of the relevant Reserve Fund to make payments in respect of interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, and the Class E Notes in accordance with the applicable Priority of Payments, however, no assurance can be given that the Issuer will have sufficient funds to make payments in full in respect of the Notes.

Scottish Receivables

Certain of the HP Agreements (which are expressly governed by English law) have been entered into with Obligors who are (a) consumers and (b) located in Scotland and certain of the Vehicles financed pursuant to the HP Agreements are located in Scotland. In such circumstances, there is a risk that the Scottish courts could apply Scots law based on regulations 5 and 8 of the Unfair Terms in Consumer Contracts Regulations 1999 and from 1 October 2015 the Consumer Rights Act 2015.

If a Scottish court were to declare that an HP Agreement was in fact governed by Scots law, the Scots court may declare that such HP Agreement had always been governed by Scots law, and that such HP Agreement should therefore be interpreted as a matter of Scots law. There is therefore a risk that the transfer under English law of Receivables derived from such HP Agreements sold by BMFL in its capacity as Seller to the Issuer may not be considered to be a valid transfer by the Scots courts.

Equitable Assignment

Assignment by BMFL to the Issuer of the benefit of the Receivables (and the Ancillary Rights) derived from HP Agreements governed by the laws of England and Wales will take effect in equity only because no notice of the assignment will be given to Obligors. The giving of notice to the Obligor of the assignment (whether directly or indirectly) to the Issuer would have the following consequences:

- (a) notice to the Obligor would "perfect" the assignment so that the Issuer would take priority over any interest of a later encumbrancer or assignee of BMFL's rights who has no notice of the assignment to the Issuer;
- (b) notice to an Obligor would mean that the Obligor should no longer make payment to BMFL as creditor under the HP Agreement but should make payment instead to the Issuer. If the Obligor were to ignore a notice of assignment and pay BMFL for its own account, the Obligor might still be liable to the Issuer for the amount of such payment. However, for so long BMFL remains the Servicer under the Servicing Agreement, BMFL also is the agent of the Issuer for the purposes of the collection of the Purchased Receivables and will, accordingly, be accountable to the Issuer for any amount paid to BMFL in respect of the Purchased Receivables;
- (c) notice to the Obligor would prevent BMFL and the Obligor amending the relevant HP Agreement without the involvement of the Issuer. However, BMFL as Servicer will undertake for the benefit of the Issuer that BMFL will not waive any breach under, or make any changes or variations to, the HP Agreements unless (i) such changes are Permitted Variations or (ii) the Seller and the Issuer have confirmed that the Purchased Receivables to which such HP Agreements relate will be repurchased by the Seller; and
- (d) lack of notice to the Obligor means that the Issuer will have to join BMFL as a party to any legal action which the Issuer may want to take against any Obligor. BMFL as Seller will, however, undertake for the benefit of the Issuer that BMFL will lend its name to, and take such other steps as may be required by the Issuer or the Security Trustee in relation to any action in respect of the Purchased Receivables and BMFL grants the Issuer a power of attorney in this regard (the "**Seller Power of Attorney**").

Until notice is given to the Obligor, equitable set-off rights (such as for misrepresentation or breach of contract as referred to in "*RISK FACTORS - Liability for misrepresentations and breach of contract*" below) may accrue in favour of an Obligor in respect of his obligation to make payments under the

relevant HP Agreement. The assignment of any Receivables to the Issuer will be subject both to any prior equities which have arisen in favour of the Obligor and to any equities which may arise in the Obligor's favour after the assignment until such time (if ever) as he receives actual notice of the assignment and exercise of such equitable set-off rights may adversely affect the Issuer's ability to make payments in full when due on the Notes.

Perfection Events have been put in place in the transaction to mitigate the risk deriving from the equitable assignment but there can be no certainty as to the timing and effectiveness of such Perfection Events or any action taken by the Security Trustee or any other party in relation thereto.

Rights in relation to the Vehicles

The ownership of the Vehicles which are the subject of HP Agreements which are included in the Portfolio will be retained by BMFL. The Issuer will have the benefit of an assignment of the Collections which includes the Vehicle Sale Proceeds. BMFL will declare a trust in favour of the Issuer over the Vehicles which are the subject of HP Agreements included in the Portfolio (the "**Vehicle Declaration of Trust**") and accordingly will hold title to such Vehicles and any Vehicle Sale Proceeds arising in relation thereto on trust for the Issuer.

Nonetheless, the Issuer will rely on the Seller fulfilling its contractual undertaking to pay to the Issuer such Vehicle Sale Proceeds. Accordingly, in the event of any insolvency of BMFL, although the Issuer has the benefit of the Vehicle Declaration of Trust declared by BMFL over its interest in the Vehicles and the Vehicle Sale Proceeds of such Vehicles, the Issuer is reliant on any administrator or liquidator of BMFL taking appropriate steps to sell such Vehicles. Because the Vehicle Sale Proceeds have been transferred to the Issuer, this will be of no value to BMFL's creditors as a whole and therefore an administrator or liquidator will not have any financial incentive to take such steps. The Issuer has accordingly taken further steps to mitigate this risk by the inclusion of a provision in the Receivables Sale and Purchase Agreement providing that, following the appointment of an Insolvency Official in respect of the Seller, the Issuer will pay to the Seller the Incentive Fee in respect of each related Vehicle resold by the Seller pursuant to the Receivables Sale and Purchase Agreement from and only to the extent of the Vehicle Sale Proceeds, and that in satisfaction of this obligation the Seller will be entitled to retain the Incentive Fee from the Vehicle Sale Proceeds of any related Vehicle. However, there can be no certainty that any administrator or liquidator would take such actions and no contractual obligations on BMFL to do so that would be enforceable against BMFL or an administrator or liquidator thereof after the commencement of the administration or liquidation of BMFL.

Certain third parties may also acquire rights in relation to the Vehicles which could prejudice the collection of the Vehicle Sale Proceeds by the Issuer. Most notably, if a creditor secures a money judgment against BMFL, a High Court enforcement officer is empowered to seize and sell BMFL's goods and chattels, in an amount sufficient to satisfy the judgment debt and cost of execution, through a writ of control or its Scottish equivalent. This means that the Vehicles, which remain the property of BMFL, will be at risk of execution from a judgment creditor, although a third party may apply to the Court to contest the sale. Such creditor enforcement action is not possible (without the leave of court) once administration or liquidation of BMFL intervenes, since such action is effectively stayed by the advent of the insolvency proceedings.

Employees

HP Agreements with Obligors who are employees of BMFL at the time of sale will not be sold to the Issuer. In very limited cases it is possible that some Obligors may be employees of BMFL if they become employees after entering into their HP Agreement. Consequently, they may have a right of set-off against amounts due under the Purchased Receivables against unpaid wages or other cash benefits. Any such set-off may adversely affect the Issuer's ability to make payments in full when due on the Notes.

Historical, forecast and estimates

The historical information set out in particular in "*DESCRIPTION OF THE PORTFOLIO*" is based on the historical experience and present procedures of the Seller. None of the Transaction Parties (other

than the Seller), the Arranger or the Joint Lead Managers have undertaken or will undertake any investigation or review of, or search to verify, the historical information. There can be no assurances as to the future performance of the Purchased Receivables.

Estimates of the weighted average lives of the Notes, respectively, included in this Prospectus together with any other projections, forecasts and estimates are supplied for information only and are forward-looking statements. Such projections, forecasts and estimates are speculative in nature, and it can be expected that some or all of the underlying assumptions may differ or may prove substantially different from the actually realised figures. Consequently, the actual results might differ from the projections and such differences may be significant.

Reliance on Seller Receivables Warranties and Eligibility Criteria

If the Seller Receivables Warranties given by the Seller in the Receivables Sale and Purchase Agreement in respect of the Portfolio and each Receivable (and its Ancillary Rights) prove to have been incorrect, including where a Receivable (and, where applicable, its Ancillary Rights) did not comply with the Eligibility Criteria as of the Cut-Off Date, this shall constitute a breach of contract under the Receivables Sale and Purchase Agreement and the Issuer will have contractual remedies against the Seller.

The primary remedy of the Security Trustee in such a circumstance in respect of any Purchased Receivable will be to require the Seller to repurchase such Purchased Receivable for a repurchase price equal to the sum of (i) its Receivable Deemed Initial Purchase Price, less (ii) the sum of all Principal Receipts and Revenue Receipts recovered or received by the Issuer in respect of such Non-Compliant Receivable from the Cut-Off Date to the Repurchase Date, plus (iii) any accrued and unpaid income in respect thereof as at the Repurchase Date. If any Purchased Receivable has never existed, or ceases to exist, such that it is not outstanding on the date on which it would otherwise be due to be so repurchased, the Seller will not be required to repurchase such Purchased Receivable. In such cases the primary remedy of the Security Trustee and the Issuer will be to require the Seller to pay a Receivables Indemnity Amount to the Issuer in an amount equal to the sum of: (i) the Receivable Deemed Initial Purchase Price of that Purchased Receivable, minus (ii) the sum of all Principal Receipts and Revenue Receipts recovered or received in respect of such Purchased Receivable from the Cut-Off Date to the date on which the Receivables Indemnity Amount is paid, plus (iii) a deemed amount of accrued income on the relevant Purchased Receivable calculated on the basis of the APR stated in the loan level data for such Purchased Receivable and determined as at the date on which the Receivables Indemnity Payment is made.

Consequently, in the event that any such representation or warranty is breached, the Issuer is exposed to the credit risk of the Seller. Should the Seller's credit quality deteriorate, this could, in conjunction with afore-said breach of contract, undermine the Issuer's ability to make payments on the Notes.

Reliance on Credit and Collection Procedures

The Servicer will carry out the administration, collection and enforcement of the Purchased Receivables in accordance with the Servicer's Credit and Collection Procedures. Accordingly, the Noteholders and the Certificateholders are relying on the business judgment and practices of the Servicer as to the liquidation of the Purchased Receivables against the Obligors. See "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement*" and "*THE SELLER AND THE SERVICER — Credit and Collection Procedures*".

No independent investigation and limited information

None of the Arranger, the Joint Lead Managers, the Transaction Parties or any other person referred to herein (other than the Seller but only as explicitly described herein) has undertaken or will undertake any investigations, searches or other actions to verify any details in respect of the Purchased Receivables or the HP Agreements or to establish the creditworthiness of any Obligor. Each of the afore-mentioned persons will rely solely on the accuracy of the representations and warranties and the financial information given by the Seller to the Issuer in the Receivables Sale and Purchase Agreement in respect of, *inter alia*, the Purchased Receivables, the Obligors, the HP

Agreements underlying the Purchased Receivables and the related Vehicles. The benefit of the representations and warranties given to the Issuer will be transferred by the Issuer to the Security Trustee for the benefit of the Secured Creditors under the Deed of Charge.

The Seller is under no obligation to, and will not, provide the Issuer or any other Transaction Party with financial or other information specific to individual Obligors and HP Agreements to which the Purchased Receivables relate. Any such person will only be supplied with general information in relation to the aggregate of the Obligors and the HP Agreements, none of which such person has taken steps to verify. Further, neither the Issuer nor any other Transaction Party will have any right to inspect the internal records of the Seller.

Characteristics of the Portfolio

The characteristics of the Portfolio differ from the characteristics of the Provisional Portfolio as at the Provisional Cut-Off Date, because of (i) redemptions of HP Agreements occurring, or enforcement procedures being completed, in each case during the period between 29 May 2018 (the "**Provisional Cut-Off Date**") and the Cut-Off Date and/or (ii) the Seller becoming aware that one or more of the loans in the Provisional Portfolio did not comply with the Seller Receivables Warranties on the Closing Date.

RISKS RELATED TO THE TRANSACTION PARTIES

Conflicts of Interest

In connection with Transaction, the Seller will also be acting as the Servicer, the Cash Manager will also be acting as the Paying Agent, the Interest Determination Agent, the Registrar and the Account Bank and the Security Trustee will also be acting as Note Trustee. These parties will have only those duties and responsibilities assumed under the Transaction Documents, and will not, by virtue of the relevant entity or any of its Affiliates acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than those under each Transaction Document to which they are a party. All Transaction Parties (other than the Issuer) may enter into other business dealings with each other from which they may derive revenues and profits without any duty to account therefore in connection with Transaction.

The Servicer may hold or service claims (for third parties) against the Obligors other than the Purchased Receivables.

The wider interests or obligations of the afore-mentioned parties may therefore conflict with the interests of the Noteholders and the Certificateholders.

The afore-mentioned parties may engage in commercial relations, in particular, be lender, provide general banking, investment and other financial services to the Obligors and other parties to Transaction. The Corporate Services Provider may provide corporate, administrative or other services to other entities.

In such relations, the afore-mentioned parties are not obliged to take into account the interests of the Noteholders or the Certificateholders. Accordingly, because of these other relations, potential conflicts of interest may arise in respect of Transaction.

In the ordinary course of business, the Joint Lead Managers and employees or customers of the Joint Lead Managers may actively trade in and/or otherwise hold long or short positions in the Notes or enter into transactions similar to or referencing the Notes for their own accounts and for the accounts of their customers. If either of the Joint Lead Managers becomes an owner of any of the Notes, through market-making activity or otherwise, any actions that it takes in its capacity as owner, including voting, providing consents or otherwise, will not necessarily be aligned with the interests of other owners of the Notes. To the extent either of the Joint Lead Managers makes a market in the Notes (which it is under no obligation to do), it would expect to receive income from the spreads between its bid and offer prices for the Notes. In connection with any such activity, it will have no obligation to take, refrain from taking or cease taking any action with respect to these transactions and

activities based on the potential effect on an investor in the Notes. The price at which either of the Joint Lead Managers may be willing to purchase Notes, if it makes a market, will depend on market conditions and other relevant factors and may be significantly lower than the issue price for the Notes and significantly lower than the price at which it may be willing to sell the Notes.

Prospective investors should note that the Joint Lead Managers have provided financing to the Seller, either indirectly through warehouse facilities or directly through a secured credit facility. As such, the proceeds of the issuance of the Notes will be used on or about the Closing Date to refinance such financings by the Seller using a portion of the Purchase Price in respect of the Purchased Receivables and their Ancillary Rights in the Purchased Receivables to purchase the relevant Purchased Receivables from the issuers under the warehouse facilities before on-selling certain of such Purchased Receivables to the Issuer. The issuers under the warehouse facilities and the Seller will ultimately use such funds to partially repay the respective Joint Lead Managers. Other than where required in accordance with applicable law, the Joint Lead Managers have no obligation to act in any particular manner as a result of their prior, indirect involvement with the Purchased Receivables and any information in relation thereto. With respect to the refinancing, each of the Joint Lead Managers will act in its own commercial interest.

Reliance on third parties

The Issuer is party to contracts with a number of other third parties who have agreed to perform services in relation to the Purchased Receivables, the Notes and the Residual Certificates. Accordingly, the ability of the Issuer to meet its obligations under the Notes and the Residual Certificates depends to a large extent upon the ability of the parties to the Transaction Documents to perform their contractual obligations.

In particular, but without limiting the generality of the foregoing, the timely payment of amounts due in respect of the Notes and the Residual Certificates depends on the ability of the Servicer to service the Purchased Receivables and on the maintenance of the level of interest rate protection offered by the Cap Agreement.

The Issuer is also party to contracts with a number of other third parties, including the Cash Manager under the Cash Management Agreement, the Account Bank under the Bank Account Agreement, the Paying Agent, the Interest Determination Agent and the Registrar under the Agency Agreement, the Cap Provider under the Cap Agreement and the Corporate Services Provider under the Corporate Services Agreement, all of which have agreed to provide services with respect to the Notes and the Residual Certificates.

No assurance can be given as to the credit worthiness of the third parties referred to above or that their credit worthiness will not decline in the future. This may affect the performance of their respective obligations under the respective Transaction Documents. If any of the foregoing parties: (i) were to fail to perform their obligations under the respective agreement(s) to which they are a party; (ii) were to resign from their appointment; (iii) were to have its appointment under the agreement(s) to which they are a party terminated in accordance with the terms of the Transaction Documents (in each case without being replaced by a suitable replacement party that is able to perform such services, has at least the minimum required ratings and holds the required licences); or (iv) in the event of the insolvency of the Account Bank (or the Collection Account Bank), the collections on the Portfolio or the payments to the Noteholders and the Residual Certificateholders may be disrupted or otherwise adversely affected, which, in turn, may negatively impact the value of, and ultimate return on, the Notes and the Residual Certificates. Prospective investors should also be aware that third parties on which the Issuer relies may be adversely impacted by the general economic climate. In particular, general economic factors may affect the administration, collection and enforcement of the Purchased Receivables by the Servicer in accordance with the Servicing Agreement.

To an extent such risks are mitigated by provisions in the relevant agreements which stipulate that, in respect of service providers (such as the Cash Manager and the Corporate Services Provider) no resignation or termination of the relevant service provider will be effective unless a replacement

service provider of a certain required standing, with certain required qualifications, having at least the required ratings and/or holding the required licences (as applicable) is appointed in accordance with the terms of the relevant agreements. Further, the credit risk mentioned above is mitigated by certain credit sensitive triggers. For example, it shall constitute a Servicer Termination Event if, inter alia, an Insolvency Event occurs in respect of the Servicer or if a failure by the Servicer to perform any of its obligations has a Material Adverse Effect on the Purchased Receivables and is not remedied within 60 calendar days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer. The Account Bank has to have the Required Rating.

Risks relating to the Servicer

The Servicer will be appointed by the Issuer to service the Purchased Receivables. Consequently, the net cash flows from the Purchased Receivables may be affected by decisions made, actions taken and the collection procedures adopted by, the Servicer. To address this risk, the terms of the Servicing Agreement provide that the Servicer will devote to the performance of its obligations and the exercise of its discretions thereunder and its exercise of the rights of the Issuer in respect of contracts and arrangements giving rise to payment obligations in respect of the Purchased Receivables at least the same amount of time and attention and exercise the higher of: (i) the level of skill, care and diligence it would exercise if it were administering receivables in respect of which it held the entire benefit; and (ii) the level of skill, care and diligence of a reasonably prudent servicer of automotive consumer loans in the United Kingdom. However, the Servicer will also continue to perform debt collection services for its own account and in respect of portfolios owned by third parties and therefore will not be exclusively dedicated to the performance of the Servicer's activities under the Servicing Agreement. See "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement*" and "*THE SELLER AND THE SERVICER — Credit and Collection Procedures*".

Upon the occurrence of any Servicer Termination Event, the Issuer and the Security Trustee will have the right to remove BMFL as Servicer (in this regard see further "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement*"). If the appointment of BMFL is terminated, the Issuer (or the Security Trustee on its behalf) will (a) deliver a notice to invoke the Standby Servicer, which, upon completion of the procedures contemplated by the Standby Servicer Agreement, is expected to assume responsibility for the administration of the Purchased Receivables on the terms of the Replacement Servicing Agreement, or (b) if there is no Standby Servicer or the Standby Servicer is for any reason unable to assume responsibility for the administration of the Purchased Receivables and subject to there being sufficient funds available for the Issuer to obtain expert assistance, use all reasonable endeavours to appoint a replacement Servicer to perform the obligations which BMFL agrees to provide under the Servicing Agreement (in this regard see further "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement*" and "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS — Standby Servicer Agreement*").

There is no guarantee that the Standby Servicer or a replacement Servicer (as the case may be) providing servicing at the same level as BMFL can be appointed on a timely basis or at all. Any delay or failure to make such an appointment may have an adverse effect on the Issuer's ability to make payments on the Notes and the Residual Certificates. No assurance can be given that any replacement Servicer will not charge fees in excess of the fees to be paid to BMFL as Servicer. The payment of fees to the Servicer, the Standby Servicer and any replacement Servicer will rank in priority to amounts paid to Noteholders and the Certificateholders in accordance with the relevant Priority of Payments and any increase in the level of fees paid to the replacement Servicer would reduce the amounts available to the Issuer to make payments in respect of the Notes and the Residual Certificates.

The appointment of BMFL as Servicer under the Servicing Agreement may be terminated as a result of, among other circumstances, a default by it in performing its obligations under the Servicing Agreement and its insolvency. The appointment of BMFL as Servicer may not be terminated until the Standby Servicer has assumed responsibility for the administration of the Purchased Receivables as contemplated by the Standby Servicer Agreement or a replacement Servicer has been appointed.

The Note Trustee is not obliged to act in certain circumstances

Following an Event of Default and the service of a Note Acceleration Notice in accordance with Condition 10 (*Events of Default*) or following redemption in full of the Notes, Residual Certificate Condition 8 (*Events of Default*), the Security will become enforceable and the Note Trustee may at its discretion direct the Security Trustee to take action to enforce the Security, and will direct the Security Trustee to take such action to enforce the Security if so directed by the (i) holders of at least 25% in aggregate Outstanding Note Principal Amount of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes; or (ii) following redemption in full of the Notes, if so directed by the holders of at least 25% in number of the Residual Certificates then in issue or if so directed by an Extraordinary Resolution of the Certificateholders (subject, in each case, to the Note Trustee being indemnified and/or secured and/or prefunded to its satisfaction).

The Note Trustee may at any time, at its discretion and will do so if it has been directed to do so by the (i) holders of at least 25% in aggregate Outstanding Note Principal Amount of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes at the relevant date; or (ii) holders of at least 25% in number of the Residual Certificates then in issue or if so directed by an Extraordinary Resolution of the Certificateholders, and without notice and in such manner as it deems appropriate:

- (i) take such proceedings and/or other steps as it may deem appropriate against or with respect to the Issuer or any other person to enforce its obligations under the Trust Deed, the Transaction Documents, the Conditions and the Residual Certificate Conditions (as applicable) and/or take any other proceedings (including lodging an appeal in any proceedings) with respect to or concerning the Issuer;
- (ii) exercise any of its rights under, or in connection with the Trust Deed or any other Transaction Document; and/or
- (iii) give any directions to the Security Trustee under or in connection with any Transaction Document.

To the extent that the Note Trustee acts in accordance with such directions of the Most Senior Class of Notes or the Certificateholders (as applicable), as described above, it will have no obligation to take the interests of any other party into account or to follow any direction given by any other party.

LEGAL RISKS

HP Agreements regulated by the Consumer Credit Act 1974 (as amended)

Changes to the UK regulatory structure

The Financial Conduct Authority of the United Kingdom (the "**FCA**") is responsible for the consumer credit regime in the UK. The FCA regulates firms in the sector both prudentially and through extensive conduct of business requirements intended to ensure that business across the sector is conducted in a way which advances the interests of all users and participants.

The FCA has been the regulator since April 2014 and it is still evolving its practices in connection with the consumer credit regime. In light of this it is possible that it will take further action to impose stricter rules on current practices of consumer credit regulated firms. It is possible that through the actions it takes as regulator the FCA, as well as any adverse decision or award made by the Ombudsman (as to which see "*Financial Ombudsman Service*" within this risk factor below) will have an effect on the HP Agreements, the Seller, and the Issuer and their respective businesses and operations, which may, in turn, affect the Issuer's ability to make payments in full on the Notes when due.

Regulatory framework

The regulatory framework for consumer credit in the UK consists of the Financial Services and Markets Act 2000 ("**FSMA**") and its secondary legislation, including the Financial Services and

Markets Act (Regulated Activities) Order 2001 (the "**RAO**"), retained provisions in the Consumer Credit Act 1974, as amended by the Consumer Credit Act 2006, and its retained associated secondary legislation (the "**CCA**"), and rules and guidance in the FCA Handbook, including the Consumer Credit sourcebook ("**CONC**"). Article 60B of the RAO defines a regulated credit agreement as an agreement between an individual ("**A**") and any other person ("**B**") under which B provides A with credit of any amount and which is not an exempt agreement under articles 60C to 60HA of the RAO. Article 60C of the RAO contains an exemption for consumer credit contracts exceeding the value of £25,000, which are entered into wholly or predominantly for the debtor's business purposes.

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

(a) Voluntary Terminations

At any time before the last payment falls due in respect of the relevant Regulated HP Agreement, the Obligor may, pursuant to sections 99 and 100 of the CCA, terminate the relevant Regulated HP Agreement. Obligors do not have to state a reason for exercising their rights under this section. Generally Obligors may take advantage of the right of voluntary termination when they are in financial difficulty, or when the residual value of the Vehicle on part-exchange is less than the amount that would be payable on early settlement. In order to terminate the Regulated HP Agreement, the Obligor is required to notify BMFL. On and upon notification the Obligor must return the vehicle, at its own expense, to an address as reasonably required by BMFL, together with everything supplied with the vehicle.

In such a case BMFL is entitled to:

- (i) all arrears of payments due and damages incurred for any other breach of the Regulated HP Agreement by the Obligor prior to such termination;
- (ii) the amount (if any) by which one half of the total amount which would have been payable under the Regulated HP Agreement if it had run its course exceeds the aggregate of sums already paid by the Obligor and other amounts due from the Obligor under the Regulated HP Agreement immediately before exercise by the Obligor of its statutory right of termination;
- (iii) possession of the relevant Vehicle subject to the Regulated HP Agreement being terminated; and
- (iv) any other sums due but unpaid by the Obligor under the Regulated HP Agreement.

Following the Voluntary Termination of an HP Agreement, BMFL will take possession of the relevant Vehicle and will sell such Vehicle in accordance with the Credit and Collection Procedures. The proceeds from the sale of the Vehicle do not change the amounts owed by the Obligor under paragraphs (i) and (ii) above. BMFL will apply any proceeds from the sale of the Vehicle (net of the sale costs) to reduce the difference between the Obligor's liability under paragraphs (i) and (ii) above and the total amount payable under the Regulated HP Agreement. Any shortfall thereafter will be written off (and any surplus will be for the benefit of BMFL).

If an Obligor exercises its rights to terminate an HP Agreement pursuant to sections 99 and 100 of the CCA, it is possible that the Notes may be redeemed earlier than anticipated.

Furthermore, if an Obligor terminates an HP Agreement pursuant to sections 99 and 100 of the CCA, it is possible that the Issuer will not receive the full amount of the outstanding principal amount on the relevant Purchased Receivable and an amount of principal will accordingly be written-off. This in turn could trigger losses in respect of the Notes and the Residual Certificates.

(b) Early Settlement of Regulated HP Agreements

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

In addition, from 1 February 2011 the Obligors under a Regulated HP Agreement entered into after 11 June 2010 have a right to make partial early repayments of the Regulated HP Agreement. One or more partial early repayment(s) may be made at any time during the life of the relevant Regulated HP Agreement, subject to the Obligor taking certain steps as outlined in Section 94 of the CCA. The provisions on partial early settlement are largely the same as those for full early settlement and the framework operates in much the same way.

(c) Termination of Regulated HP Agreements

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

(i)

- (1) all arrears of payments due and damages incurred for any breach of the Regulated HP Agreement by the Obligor prior to such termination;
- (2) all BMFL's expenses of recovering or trying to recover the Vehicle, storing it and tracing the Obligor and any shortfall relating to the sale or other disposal of vehicle (including all expenses of sale); and
- (3) any other sums due but unpaid by the Obligor under the Regulated HP Agreement less a rebate calculated pursuant to the provisions of the Early Settlement Regulations (see below);

(ii) or such lesser amount as a court considers will compensate BMFL for its loss.

Court decisions have conflicted on whether the amount payable by the obligors on termination by the lender (for example, for repudiatory breach by the Obligor) is restricted to the amount calculated by the one-half formula for termination by the Obligor. The HP Agreements provide that the amount payable by the Obligor on termination by BMFL is the outstanding balance of the total amount payable under the HP Agreement.

(d) Rebate on Early Settlement or on Termination of a Regulated HP Agreement by BMFL

In the case of Regulated HP Agreements, a rebate of credit charges may be due on early settlement. The amount of the rebate is calculated in accordance with the Early Settlement Regulations. The rebate is available only in the circumstances specified in the Early Settlement Regulations. No such rebate is required where the Obligor exercises his right to terminate a Regulated HP Agreement as described in (a) above, as the Obligor may terminate the relevant Regulated HP Agreement, without discharging in full the total amount payable under the Regulated HP Agreement.

(e) Time Orders

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

(f) Bona fide purchaser

A disposition of the vehicle by the Obligor to a bona fide private purchaser without notice of the HP Agreement will transfer to the purchaser BMFL's title to the vehicle.

(g) Interpretation of technical rules

BMFL has interpreted certain technical rules under the CCA in a way common with many other lenders in the vehicle finance market. If such interpretation were held to be incorrect by a court or other dispute resolution authority, then the HP Agreement would be unenforceable without a court order. If such interpretation were challenged by a significant number of Obligors, then this could lead to significant disruption and shortfall in the income of the Issuer. Court decisions have been made on technical rules under the CCA against certain lenders, but such decisions are very few and are generally county court decisions which are not binding on other courts. Where agreements are unenforceable without a court order due to minor documentary defects, lenders have historically pursued such debts as though they are simply enforceable, until such time as those defects were raised by the obligor and/or the court in any claim. To mitigate the risks associated with this approach, lenders currently rely on the decision in *McGuffick v Royal Bank of Scotland* [2010] 1 All ER 634, in which the High Court ruled that, in relation to agreements which were unenforceable by reason of failures to provide copies under sections 77 and 78 of the CCA, steps which fell short of obtaining a court judgment against the obligor were not "enforcement" within the meaning of the CCA.

(h) Enforcement of improperly executed or modified Regulated HP Agreements

If a Regulated HP Agreement has been "improperly executed" (as such term is used in the CCA) or improperly modified in accordance with the provisions of the CCA, it may be unenforceable unless a court order has been obtained.

(i) "Unfair relationship"

The court has power under section 140A of the CCA to determine that the relationship between a lender and a customer arising out of the credit agreement (whether alone or with any related agreement) is unfair to the consumer. In applying the new unfair relationship test, the courts are able to consider a wider range of circumstances surrounding the transaction, including the lender's conduct before and after making the agreement. There is no statutory definition of "unfair" as the intention is for the test to be flexible and subject to judicial discretion. The Supreme Court has given general guidance in respect of unfair relationships in *Plevin v Paragon Personal Finance Ltd* [2014] 1 WLR 4222. Whilst the court acknowledged that it is not possible to state a precise or universal test for an unfair relationship, which must depend on the court's judgment of all the relevant facts, the court did give the guidance on the nature of the test which should be applied. The Supreme Court acknowledged that what must be unfair is the relationship between the debtor and the creditor. Although the court is concerned with hardship to the debtor, there may be features which operate harshly against the debtor but it does not necessarily follow that the relationship is unfair because the features in question may be required in order to protect a legitimate interest of the creditor. The FCA principles are also relevant and apply to the way contract terms are used in practice and not

just the way they are drafted. Once an Obligor alleges that an unfair relationship exists, the burden of proof is on the lender to prove the contrary.

(j) Financial Ombudsman Service

The Financial Ombudsman Service is an out-of-court dispute resolution scheme with jurisdiction to determine complaints against authorised persons under the FSMA relating to conduct in the course of specified regulated activities including in relation to consumer credit.

Under FSMA, the Financial Ombudsman Service is required to make decisions on, among others, complaints relating to the terms in agreements on the basis of what, in the Ombudsman's opinion, would be fair and reasonable in all the circumstances of the case, taking into account, among others, law and guidance. Complaints brought before the Financial Ombudsman Service for consideration must be decided on a case-by-case basis, with reference to the particular facts of any individual case. Each case would first be adjudicated by an adjudicator. Either party to the case may appeal against the adjudication. In the event of an appeal, the case proceeds to a final decision by the Ombudsman. The Financial Ombudsman Service may order a money award to an Obligor, which may adversely affect the value at which the HP Agreements in the Purchased Receivables could be realised and accordingly the ability of the Issuer to meet its obligations under the Notes. The jurisdiction of the Financial Ombudsman Service has applied since 6 April 2007.

(k) Private rights of action under the FSMA

An Obligor who is a private person may be entitled to claim damages for loss suffered as a result of any contravention by an FCA authorised person of a rule under the FSMA. From 1 April 2014, such rules include rules in CONC, which transposes certain requirements previously made under the CCA and in the Office of Fair Training (the "OFT") guidance. The Obligor may set off the amount of the claim for contravention of CONC against the amount owing under the Regulated HP Agreement or any other credit agreement it has taken with the authorised person (or exercise analogous rights in Scotland or Northern Ireland). Any such set-off may adversely affect the Issuer's ability to make payments in full when due on the Notes.

(l) Enforcement action by the FCA

The FCA has a broad range of enforcement powers under the FSMA which it can take against authorised firms where the firm breaches a requirement of the FSMA. These powers include the ability to order restitution under Section 382 of FSMA and to implement consumer redress schemes under Section 404 of FSMA. In addition where a broker does not have the relevant permission an agreement will be unenforceable against the customer without a written notice from the FCA.

(m) Servicing Requirements

BMFL has to comply with certain post-contract information requirements under the CCA. Failure to comply with these requirements can have a significant impact. For example: (a) the credit agreement is unenforceable against the customer for any period when the lender fails to comply with requirements as to periodic statements, arrears notices or default notices (although any such unenforceability may be cured prospectively by the lender complying with requirements as to periodic statements, arrears notices and default notices); (b) the customer is not liable to pay interest or default fees for any period when the lender fails to comply with requirements as to periodic statements or arrears notices; and (c) interest on default fees is restricted to nil until the 29th day after the day on which a notice of default fees is given and then to simple interest (i.e. interest may only be calculated on the principal amount of the default fee).

Liability for misrepresentations and breach of contract

(a) Regulated HP Agreements

Under section 75 of the CCA, an Obligor may make a claim against BMFL as well as a supplier in respect of any misrepresentations made by the supplier in a transaction between the supplier and the Obligor during negotiations between them before execution of the relevant Regulated HP Agreement or for a breach of contract. This liability arises in relation to, for example, insurance products where the creditor can be liable to the Obligor for misrepresentation or breach of contract by an insurer (or a dealer on its behalf) in relation to an insurance contract between the insurer and the Obligor and financed by a Regulated HP Agreement.

In all the above circumstances, BMFL would normally have a right to be reimbursed by the supplier for any amount paid to the Obligor in respect of the Obligor's claim and any costs (including legal costs) incurred in defending the claim.

Equitable (or equivalent or analogous) set-off rights (such as for misrepresentation or breach of contract) may accrue in favour of an Obligor in respect of its obligation to make payments under the relevant HP Agreement. Exercise of such rights by the Obligors may, therefore, result in the Issuer receiving less money than anticipated from the Purchased Receivables, which may in turn lead to reduced amounts being available to pay the Noteholders and the Certificateholders.

In addition under section 56 of the CCA where a credit broker, such as a Dealer, carries out antecedent negotiations with an Obligor those negotiations will be deemed to be carried out in the capacity of agent of the creditor as well as in his actual capacity. As a result BMFL will be potentially liable in respect of any misrepresentations made by any credit broker involved in introducing an Obligor to BMFL. This liability arises in relation to the Vehicle, and applies for example, to the Dealer's promise to the Obligor on the quality or fitness of the Vehicle, and can extend, for example, to the Dealer's promise to apply a part-exchange allowance to discharge an existing credit agreement. If any such pre-contractual statement is a misrepresentation or implied condition in the regulated consumer credit contract, then the Obligor is entitled to, amongst other things, rescind the contract and return the goods, and to treat the contract as repudiated by BMFL and accept such repudiation by notice, and is not liable to make any further payments, and may claim repayment of the amounts paid by the Obligor under the contract and damages such as the cost of hiring an alternative vehicle. The Obligor may set-off the amount of any such money claim against the amount owing by the Obligor under the credit agreement or any other credit agreement he has taken with BMFL (or exercise analogous rights in Scotland or Northern Ireland). In such events BMFL would normally have a claim against the Dealer for breach of its operating agreement with BMFL.

(b) All HP Agreements including Regulated HP Agreements

Under the Supply of Goods (Implied Terms) Act 1973 an Obligor may also make a claim for breach of contract against BMFL or, potentially, terminate the HP Agreement for repudiatory breach if the vehicle the subject of the HP Agreement is not of satisfactory quality (which includes an assessment of whether it is fit for its intended purpose) or as described.

For HP Agreements entered into on or after 1 October 2015 by Obligors acting wholly or mainly outside that Obligor's trade, business, craft or profession) equivalent protections are contained in the Consumer Rights Act 2015 (the "**CRA15**"). Where the Obligor makes the contract other than in the course of a business this exclusion does not affect the Obligor's statutory rights, either under the Supply of Goods (Implied Terms) Act 1973 or the CRA15, that the goods should be of satisfactory quality fit for their intended purpose and as described. Where the Obligor makes the contract in the course of a business an exclusion of liability will only be binding if it meets a statutory test of reasonableness.

Under the Dealer's operating agreement and offer and warranty with BMFL, the Dealer has given a corresponding warranty to BMFL that the Vehicle is of satisfactory quality and in the above circumstances BMFL would normally have a claim against the Dealer for any losses incurred by BMFL as a result of a breach of such warranty.

Protected Goods

If, under a Regulated HP Agreement, the Obligor has paid BMFL one-third or more of the total amount payable under the relevant Regulated HP Agreement, the vehicle becomes "protected" pursuant to section 90 of the CCA and BMFL is not entitled to repossess it, unless BMFL first obtains an order from the court to this effect. If, however, the Obligor terminates the Regulated HP Agreement, the vehicle ceases to be "protected" and BMFL may effect repossession unless the court grants the Obligor a "time order" rescheduling the Obligor's outstanding liabilities under the Regulated HP Agreement, or otherwise exercises any other discretion which it may have under the CCA. In the event any of the vehicles owned by Obligors are protected, this could potentially cause delays in recovering amounts due from the Obligors and consequently may reduce amounts available to Noteholders and the Certificateholders.

Other Risks Resulting from Consumer Legislation

(a) Unfair Terms in Consumer Contracts Regulations 1999

The Unfair Terms in Consumer Contracts Regulations 1999 (the "**UTCC Regulations**") apply in relation to the HP Agreements involving consumers entered into prior to 1 October 2015. An Obligor may challenge a term in an agreement on the basis that it is "unfair" within the meaning of the UTCC Regulations and therefore not binding on the Obligor.

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

Ultimately, only a court can decide whether a term is fair; however, it will take into account any relevant guidance published by the Competition and Markets Authority or the FCA. The FCA had previously published guidance on how it would interpret the UTCC Regulations. This guidance was withdrawn in March 2015 following a number of decisions by the Court of Justice of the European Community and the then impending enactment of the CRA15 on 1 October 2015 and the repeal on that date of the UTCC Regulations. The FCA will also consider the terms of agreements, and how the terms are applied in light of their "Treating Customers Fairly" principle. In particular, they will look at whether satisfactory outcomes have been achieved for customers.

For transactions entered into on and after 1 October 2015, the CRA15 will apply in place of the UTCC Regulations. The CRA15 continues to provide consumers with substantially the same rights as they enjoyed under the UTCC Regulations and also extends protection to announcements or other communications, whether or not in writing, that may be seen by the consumer that are related to the HP Agreement. The CRA15 makes both consumer contracts and consumer notices unenforceable if they fail the fairness test; introduces a more stringent test for fairness by making main subject matter of the contract or terms which set the price subject to the fairness test if they are not both transparent and prominent; and introduces new terms into the list of potentially unfair clauses in consumer contracts.

No assurance can be given that the implementation of the CRA15 or changes to guidance will not have an adverse effect on the Purchased Receivables, BMFL, the Servicer, the Issuer and their respective businesses and operations. The broad and general wording of the UTCC Regulation and the CRA15 makes any assessment of the fairness of terms largely subjective

and makes it difficult to predict whether or not a court would find a term to be unfair. It is therefore possible that any agreements made with consumers may contain unfair terms, which may result in the possible unenforceability of those unfair terms. This may adversely affect the ability of the Issuer to dispose of Purchased Receivables, or any part thereof, in a timely manner and/or the realisable value of the Purchased Receivables, or any part thereof, and accordingly affect the ability of the Issuer to meet its obligations under the Notes when due.

No assurance is given that future changes to the CRA15, the manner in which the CRA15 is applied, interpreted or enforced or changes to guidance relating to the CRA15 will not have an adverse effect on the Purchased Receivables, BMFL, the Servicer, the Issuer and their respective businesses and operations. This may adversely affect the ability of the Issuer to dispose of Purchased Receivables, or any part thereof, in a timely manner and/or the realisable value of the Purchased Receivables, or any part thereof, and accordingly affect the ability of the Issuer to meet its obligations under the Notes when due.

(b) Unfair Commercial Practices Directive 2005

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

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

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

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

The Consumer Protection Regulations are comprised of three key restrictions:

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

their effect, or likely effect, on the average consumer is not required in order to prove a breach under the Consumer Protection Regulations.

Enforcers (such as the Competition and Markets Authority and local trading standards authorities) may take civil enforcement action in respect of a breach of the Consumer Protection Regulations and consumers also have a right to redress for prohibited practices, including a right to unwind agreements, claim damages or obtain a discount.

The Consumer Protection Regulations require the Competition and Markets Authority and local trading standards authorities to enforce the Consumer Protection Regulations by prosecution or by seeking an enforcement order to prevent a business from carrying on unfair practices. In addition, the FCA addresses unfair practices in its regulation of consumer finance. No assurance can be given that any regulatory action or guidance in respect of the Consumer Protection Regulations will not have a material adverse effect on the HP Agreements and accordingly on the Issuer's ability to make payments in full when due on the Notes.

FCA on-going work in the motor finance market

As set out in its Business Plan 2017-18, the FCA is looking at the motor finance market to develop its understanding of the relevant products and how they are sold, and to assess whether the products cause harm to consumers and if the market is functioning as well as it could. The FCA is focusing on whether risks in relation to transparency, potential conflicts of interest and irresponsible lending in the sector are appropriately mitigated. The FCA published an interim report in March 2018 and is expected to publish a consultation paper on potential rule changes in September 2018. It is also possible that individual firm feedback may be provided; and/or the FCA may take action against any firm in respect of any breach of existing FCA rules in line with its enforcement policy and process.

Vehicle Recalls

Vehicle manufacturers have in the past and may in the future announce recalls and temporary suspension of sales and production of certain models of their vehicles due to a discovered defect or other issue which affects the performance, safety or use of such vehicles.

In the event of any recall, an Obligor may attempt (whether legally entitled or otherwise) to withhold or set-off payments due under an HP Agreement, terminate their HP Agreement (with or without the payment of an early repayment fee or charge) or claim for any loss suffered by them as a result of such recall (for further discussion of these risks, see the risk factors entitled "*RISK FACTORS - HP Agreements regulated by Consumer Credit Act 1974 (as amended)*" and "*RISK FACTORS - Liability for misrepresentations and breach of contract*").

The publicity surrounding any product recall may also result in an increase in the number of Obligors choosing to exercise their rights pursuant to the CCA to voluntarily terminate any regulated HP Agreement relating to a Vehicle affected by a manufacturer recall, as to which we would refer you to the risk factor entitled "*RISK FACTORS - HP Agreements regulated by the Consumer Credit Act 1974 (as amended)*" above.

An adverse impact on the value of a vehicle which is affected by a manufacturer recall could result in lower recoveries on a sale or other disposition of a Vehicle being the subject of an HP Agreement following default by an Obligor or following a Voluntary Termination. This may result in a reduction in the amounts available to the Issuer to meet its obligations to the Noteholders.

In addition, it is possible that an Obligor could claim against BMFL as the counterparty to the HP Agreement in relation to a vehicle affected by a manufacturer recall (as to which see the risk factor entitled "*RISK FACTORS – Liability for dealer's misrepresentations and breach of contract – Regulated HP Agreements*"). The consequences of any successful claim could include one or more of damages, rescission of the relevant HP Agreement or termination of the relevant HP Agreement, depending on the claim. If a successful claim is brought against BMFL, BMFL may have a claim against the relevant Dealer. Such a claim would likely be equal to the loss suffered by BMFL in

respect of the claim brought by the Obligor and, if received, would mitigate any loss suffered by BMFL in respect of a claim referenced in the paragraph above. Whether or not BMFL is able to fully recover any loss suffered will depend on the particular facts of the claim and the solvency of the relevant Dealer. The Obligor may be able to set-off such damages against the Receivable.

Security and insolvency considerations in respect of the Issuer

The Issuer will enter into the Deed of Charge pursuant to which it will grant the Security in respect of certain of its obligations, including its obligations under the Notes and the Residual Certificates (as to which, see "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Deed of Charge*"). If certain insolvency proceedings are commenced in respect of the Issuer, the ability to realise the Security may be delayed and/or the value of the Security impaired.

The Insolvency Act 1986 allows for the appointment of an administrative receiver in relation to certain transactions in the capital markets. Although there is as yet no case law on how these provisions will be interpreted, it should be applicable to the floating charge created by the Issuer and granted by way of security to the Security Trustee. However, as this is partly a question of fact, were it not to be possible to appoint an administrative receiver in respect of the Issuer, the Issuer would be subject to administration if it became insolvent, which may lead to the ability to realise the Security being delayed and/or the value of the Security being impaired.

In addition, it should be noted that, to the extent that the assets of the Issuer are subject only to a floating charge (including any fixed charge recharacterised by the courts as a floating charge), in certain circumstances under the Insolvency Act 1986, certain floating charge realisations which would otherwise be available to satisfy the claims of secured creditors under the Deed of Charge may be used to satisfy any claims of unsecured creditors. While certain of the covenants and undertakings given by the Issuer in the Transaction Documents are intended to ensure it has no significant creditors other than the Secured Creditors under the Deed of Charge, it will be a matter of fact as to whether the Issuer has any other such creditors at any time. There can be no assurance that the Noteholders and the Certificateholders will not be adversely affected by any such reduction in floating charge realisations upon the enforcement of the Security.

While the transaction structure is designed to minimise the likelihood of the Issuer becoming insolvent, there can be no assurance that the Issuer will not become insolvent and/or the subject of insolvency proceedings and/or that the Noteholders and the Certificateholders would not be adversely affected by the application of insolvency laws.

Fixed charges may take effect as floating charges

Pursuant to the terms of the Deed of Charge, the Issuer has purported to grant fixed charges over, among other things, its interests in the Purchased Receivables and their Ancillary Rights, its rights and benefits in the Issuer Accounts from time to time.

English law relating to the characterisation of fixed charges is unsettled. The fixed charges purported to be granted by the Issuer (other than by way of assignment in security) may take effect under English law as floating charges only if, for example, it is determined that the Security Trustee has not been provided sufficient control over the charged assets (although it should be noted that there is no equivalent concept of recharacterisation of fixed security as floating security under Scots law). If the charges take effect as floating charges instead of fixed charges, then, as a matter of law, certain claims would have priority over the claims of the Security Trustee in respect of the floating charge assets.

The interest of the Secured Creditors in property and assets over which there is a floating charge will rank behind the expenses of any administrator or liquidator and the claims of certain preferential creditors on enforcement of the Security. Section 250 of the Enterprise Act 2002 abolishes Crown Preference in relation to all insolvencies (and thus reduces the categories of preferential debts that are to be paid in priority to debts due to the holder of a floating charge) but a new Section 176A of the Insolvency Act 1986 requires a "prescribed part" (up to a maximum

amount of £600,000) of the floating charge realisations available for distribution to be set aside to satisfy the claims of unsecured creditors. This means that the expenses of any administration, the claims of preferential creditors and the beneficiaries of the prescribed part will be paid out of the proceeds of enforcement of the floating charge ahead of amounts due to Noteholders and the Certificateholders. The prescribed part will not be relevant to property subject to a valid fixed security interest or to a situation in which there are no unsecured creditors.

Liquidation expenses

Prior to the House of Lords' decision in the case of *Re Leyland Daf* in 2004, the general position was that, in a liquidation of a company, the liquidation expenses ranked ahead of unsecured debts and floating chargees' claims. *Re Leyland Daf* reversed this position so that liquidation expenses could no longer be recouped out of assets subject to a floating charge. However, section 176ZA of the Insolvency Act 1986, which came into force on 6 April 2008, effectively reversed the House of Lords' decision in *Re Leyland Daf*. As a result, it is now the case that the costs and expenses of a liquidation (including certain tax charges) will be payable out of floating charge assets in priority to the claims of the floating charge-holder. In respect of certain litigation expenses of the liquidator only, this is subject to the approval of the amount of such expenses by the floating charge-holder (or, in certain circumstances, the court) pursuant to rules 6.42 and 7.108 of the Insolvency (England & Wales) Rules 2016. In general, the reversal of *Re Leyland Daf* applies in respect of all liquidations commenced on or after 6 April 2008.

Therefore, floating charge realisations upon the enforcement of the floating charge security to be granted by the Issuer would be reduced by the amount of all, or a significant proportion of, any liquidation expenses.

Change of law

The underlying HP Agreements, the structure of the Trust Deed, the Deed of Charge, the Receivables Sale and Purchase Agreement and the other Transaction Documents and the issue of the Notes and the Residual Certificates, as well as the ratings which are to be assigned to the Notes, are based on English law and Scots law and United Kingdom tax, regulatory and administrative practice in effect as at the date of this Prospectus as they affect the parties to the transaction and the Portfolio, and having due 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 English law and Scots law and United Kingdom tax, regulatory or administrative practice after the date of this Prospectus.

Market value of Vehicles

Used car residual values in the UK are remaining relatively stable; however, these may reduce in future. BMFL's loans are fully amortising and, therefore, are only exposed to residual values in the event of a customer default or voluntary termination. A reduction in the residual value of vehicles will increase the net loss of defaults. BMFL controls the amount lent against each vehicle value and monitors residual values on loans that fall into arrears closely as well as recovery rate trends through its cars sold at auction.

Political Uncertainty

On 23 June 2016, the UK held a referendum with respect to its continued membership of the EU (the "**Referendum**"). The result of the Referendum was a vote in favour of leaving the EU. This result did not have any legal effect on the UK's membership of the EU. On 29 March 2017 the UK gave formal notice under Article 50 of the Treaty on European Union ("**Article 50**") of its intention to leave the EU. The timing of the UK's exit from the EU remains subject to some uncertainty, but it is unlikely to be before March 2019.

The terms of the UK's exit from the EU and its future trading relationship with the EU are also unclear and will be determined by the negotiations taking place following the notification under Article 50. The principal terms of a transitional period, that would, for a period of time, preserve the application of EU

law in the UK as if it were a Member State after the UK's exit from the EU, have been provisionally agreed but it is not certain that a transitional period will be brought into effect.

It is possible that the UK will leave the EU without any agreement on the terms of its withdrawal and/or an agreement on the terms of the future trading relationship between the UK and the EU. In such circumstances, it is possible that a high degree of political, legal, economic and other uncertainty may result.

Applicability of EU law in the UK

It is at present unclear what type of relationship between the UK and the EU will be established, or at what date (whether by the time when, or after, the UK ceases to be a member of the EU), or what would be the content of such a relationship. It is possible that a new relationship would preserve the applicability of certain EU rules (or equivalent rules) in the UK, at least for a period. At this time it is not possible to state with any certainty to what extent that might be so.

Upon any withdrawal from the EU by the UK, and subject to agreement on (and the terms of) any future EU-UK relationship, EU laws (other than those EU laws already transposed into English law (see below)) will cease to apply within the UK pursuant to the terms and timing of a future withdrawal agreement. This would be achieved by the UK ceasing to be party to the EU Treaties, and by the parallel repeal of the European Communities Act 1972. The UK will cease to be a member of the EU from the date of entry into force of a withdrawal agreement or, if a withdrawal agreement has not been concluded, 2 years after the notification under Article 50 was served (such date being 29 March 2017), unless the European Council, in agreement with the UK, unanimously decides to extend this period. At this time it is not possible to state with any certainty what might be the terms and effective date of any withdrawal agreement. Until such date, or the expiration of the 2-year period on 29 March 2019 (subject to any agreed extension of that period), EU law will remain in force in the UK.

Upon any withdrawal from the EU by the UK, and subject to agreement on (and the terms of) any future UK-EU relationship, EU law will cease to apply in the UK. However, many EU laws, such as EU Directives, have been already transposed into domestic laws applicable in the UK and these transposed laws will continue to apply until such time that they are repealed, replaced or amended. EU laws that are currently directly applicable in the UK, such as EU Regulations, are intended by the UK Government to be transposed into domestic law at the point of the UK's exit from the EU by way of the European Union (Withdrawal) Bill, which is currently before the UK Parliament.

Over the years, domestic laws applicable in the UK have been devised to function in conjunction with EU law (in particular, laws relating to financial markets, financial services, prudential and conduct regulation of financial institutions, financial collateral, settlement finality and market infrastructure). Further, some directly applicable EU laws will not function adequately if they are transposed into UK law without amendment. There will therefore need to be amendments to domestic laws to ensure they are fit for purpose after the UK leaves the EU. The European Union (Withdrawal) Bill makes provision for such amendments to be made by way of secondary legislation in certain instances.

As mentioned above, in March 2018, the EU and the UK agreed and published proposed terms for a transitional arrangement whereby EU law would continue to apply to and in the UK, for the most part as if the UK were still a Member State after the UK leaves the EU on 29 March 2019 until the end of 2020, although specific references in EU law to EU Member States will not be deemed to include the UK, so the UK will not have the benefit of, or be subject to, such provisions.

As a result, depending on the terms of the UK's exit from the EU, substantial amendments to domestic laws applicable in the UK may occur. Consequently, domestic laws applicable in the UK may change and it is impossible at this time to predict the consequences on the Portfolio or the Issuer's business, financial condition, results of operations or prospects. Such changes could be materially detrimental to Noteholders and the Certificateholders.

Market Risk

While the longer term effects of the Referendum and the UK's exit strategy are difficult to predict, these may include further financial instability and slower economic growth as well as higher unemployment and inflation, in the UK, continental Europe and the global economy, at least in the short to medium term. For instance, the UK could lose access to the single EU market and to the global trade deals negotiated by the EU on behalf of its members and this could affect the attractiveness of the UK as a global investment centre and, as a result, could have a detrimental impact on UK economic growth and/or interest rates set by the Bank of England.

Exposure to Counterparties

The Issuer will be exposed to a number of counterparties throughout the life of the Notes. Investors should note that if the UK does leave the EU, such counterparties may be unable to perform their obligations due to changes in regulation, including the loss of, or changes to, existing regulatory rights to do cross-border business in the EU or the costs of such transactions with such counterparties may increase.

Ratings actions

Following the result of the Referendum, S&P and Fitch have each downgraded the UK's sovereign credit rating and each of S&P, Fitch and Moody's has placed such rating on negative outlook, suggesting possible further negative rating action.

The credit rating of a country affects the ratings of entities operating in its territory, and in particular the ratings of financial institutions. Accordingly, the recent downgrades of the UK's sovereign credit rating and any further downgrade action may trigger downgrades in respect of the Transaction Parties. If a counterparty no longer satisfies the relevant rating requirement, the Transaction Documents may require that such counterparty be replaced with an entity that satisfies the relevant rating requirement. If rating downgrades are widespread, it may become difficult or impossible to replace counterparties with entities that satisfy the relevant rating requirements.

While the extent and impact of these issues are unknown, investors should be aware that they could have an adverse impact on the Issuer, its service providers, the payment of interest and repayment of principal on the Notes and therefore, the Noteholders.

TAX RISKS

Taxation

The Issuer will not provide for gross-up of payments in the event that the payments on the Notes or Residual Certificates become subject to withholding taxes. See "*TAXATION*".

UK Taxation Position of the Issuer

The Issuer has been advised that it should fall within the permanent regime for the taxation of securitisation companies (as introduced by the TSC Regulations). If the TSC Regulations apply to a company, then, broadly, it will be subject to corporation tax on the cash profit retained by it for each accounting period in accordance with the transaction documents.

Investors should note, however, that the TSC Regulations are in short-form and are supplemented by, and advisors rely significantly upon, guidance from HMRC when advising on the scope and operation of the TSC Regulations including whether any particular company falls within the regime.

Prospective Noteholders and Certificateholders should note that if the Issuer does not fall to be taxed under the regime provided for by the TSC Regulations then its profits or losses for tax purposes might be different from the cash profit retained by it in accordance with the Transaction Documents. Any unforeseen taxable profits in the Issuer could have an adverse effect on its ability to make payments to the Noteholders and the Certificateholders.

U.S. Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes.

A number of jurisdictions (including the United Kingdom) have entered into, or agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of the IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes and the Residual Certificates, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes and the Residual Certificates, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes and the Residual Certificates, such withholding would not apply prior to 1 January 2019 and Notes and the Residual Certificates characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for the purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes and the Residual Certificates, no person will be required to pay additional amounts as a result of the withholding.

Prospective holders of the Notes should consult their own tax advisors with respect to the FATCA rules and the application of FATCA to such holder in light of such holder's individual circumstances.

STRUCTURAL AND OTHER CREDIT RISKS

Liability under the Notes and the Residual Certificates

The Notes and the Residual Certificates will be obligations of the Issuer alone and will not be guaranteed by, or be the responsibility of, any other entity. In particular, the Notes and the Residual Certificates will not be obligations of, or guaranteed by, or be the responsibility of BMFL, its affiliates or any other Transaction Party other than the Issuer.

All payment obligations of the Issuer under the Notes and the Residual Certificates constitute exclusively obligations to pay out the sums standing to the credit of the Transaction Account, the Reserve Fund, the Cap Collateral Account and the proceeds from the Security, in each case in accordance with the applicable Priority of Payments. If, following the enforcement of the Security, the proceeds of enforcement prove ultimately insufficient, after payment of all claims ranking in priority to amounts due under the Notes, to pay in full all principal and interest and other amounts whatsoever due in respect of the Notes, any shortfall arising will be extinguished and the Noteholders will neither have any further claim against the Issuer in respect of any such amounts nor have recourse to any other person for the Loss sustained. The enforcement of the Security by the Security Trustee is the only remedy available to the Noteholders and the Certificateholders for the purpose of recovering amounts payable in respect of the Notes and the Residual Certificates.

Limited resources of the Issuer

The Issuer is a special purpose entity, with no business operations other than the issue of the Notes and the Residual Certificates, the financing of the purchase of the Portfolio and the entrance into the related Transaction Documents. Therefore, the ability of the Issuer to meet its obligations under the Notes will depend, *inter alia*, upon receipt of:

- payments of Collections under the Purchased Receivables;
- Recovery Collections;
- any Non-Compliant Receivable Repurchase Price or Receivables Indemnity Amount due from the Seller under the Receivables Sale and Purchase Agreement;
- the amount standing to the credit of the Reserve Fund;
- net interest earned on the Reserve Fund and the Transaction Account;
- payments, if any, under the other Transaction Documents in accordance with the terms thereof.

BMFL will also hold its title to Vehicles financed by the HP Agreements in the Portfolio on trust for the Issuer pursuant to the Vehicle Declaration of Trust.

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

Subordination of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class X Notes and the Residual Certificates

Pursuant to the Priorities of Payments, certain junior Classes of Notes are subordinated in right of payment of principal and interest to more senior Classes of Notes.

The Class A Notes will rank pro rata and pari passu without preference or priority among themselves at all times as to payments of interest and principal, as provided in the Conditions and the Transaction Documents.

The Class B Notes will rank pro rata and pari passu without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Notes, as provided in the Conditions and the Transaction Documents.

The Class C Notes will rank pro rata and pari passu without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Notes and the Class B Notes, as provided in the Conditions and the Transaction Documents.

The Class D Notes will rank pro rata and pari passu without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Notes, the Class B Notes and the Class C Notes, as provided in the Conditions and the Transaction Documents.

The Class E Notes rank pro rata and pari passu without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to all payments due in respect of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes and (following service of a Note Acceleration Notice) all payments due in respect of all other Classes of Notes, as provided in the Conditions and the Transaction Documents.

The Class X Notes rank pro rata and pari passu without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate (prior to service of a Note Acceleration Notice) to all payment of interest due in respect of all other Classes of Notes and (following service of a Note Acceleration Notice) subordinate to all payments due in respect of all other Classes of Notes except the Class E Notes as provided in the Conditions and the Transaction Documents. Prior to service of a Note Acceleration Notice payments of interest and principal on the Class X Notes will only be made from Available Revenue Receipts to the extent of amounts available in accordance with the Pre-Acceleration Revenue Priority of Payments.

The Residual Certificates rank pro rata and pari passu without preference or priority among

themselves in relation to Residual Certificate Payments at all times, and are subordinate to all payments due in respect of the Notes, as provided in the terms and conditions of the Residual Certificates and the Transaction Documents.

In addition to the above, payments on the Notes and the Residual Certificates are subordinate to payments of certain senior ranking fees, costs and expenses, including those payable as Senior Expenses.

There is no assurance that these subordination rules will protect the holders of Notes from risk of loss.

Ratings of the Notes

The ratings assigned to the Notes by the Rating Agencies take into consideration the structural and legal aspects associated with the Notes and the underlying Purchased Receivables, the credit quality of the Portfolio, the extent to which the Obligors' payments under the Purchased Receivables are sufficient to make the payments required under the Notes as well as other relevant features of the structure, including, *inter alia*, the credit quality of the Account Bank, the Cap Provider, the Seller and the Servicer (if different). Each Rating Agency's rating reflects only the view of that Rating Agency.

The ratings assigned to the Notes by Moody's address, among other matters:

- (a) the likelihood of full and timely payments due to the holders of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes of interest on each Interest Payment Date;
- (b) the likelihood of full and ultimate payment of interest due to the holders of the Class E Notes and the Class X Notes, by a date that is not later than the Final Redemption Date; and
- (c) the likelihood of ultimate payment to the holders of the Notes of principal in relation to the Notes on or prior to the Final Redemption Date.

The ratings assigned to the Notes by S&P address, among other matters:

- (a) the likelihood of full and timely payments due to the holders of the Class A Notes and the Class B Notes of interest on each Interest Payment Date;
- (b) the likelihood of full and ultimate payment of interest to the holders of the Class C Notes and the Class D Notes (where the Class C Notes and the Class D Notes are not the Most Senior Class of Notes then outstanding) respectively, by a date that is not later than the Final Redemption Date;
- (c) the likelihood of full and timely payment of interest due to the holders of the Class C Notes (where the Class C Notes are the Most Senior Class of Notes then outstanding) and the Class D Notes (where the Class D Notes are the Most Senior Class of Notes then outstanding), respectively, on each Interest Payment Date; and
- (d) the likelihood of ultimate payment to the holders of the Notes of principal in relation to the Notes on or prior to the Final Redemption Date.

Rating organisations other than the Rating Agencies may seek to rate the Notes and, if such "shadow ratings" or "unsolicited ratings" are lower than the comparable ratings assigned to the Notes by the Rating Agencies, such shadow or unsolicited ratings could have an adverse effect on the value of the Notes. Future events, including events affecting the Account Bank, the Seller and the Servicer (if different) could also have an adverse effect on the rating of the Notes.

A rating in respect of certain securities is not a recommendation to buy, sell or hold such securities and may be subject to revision or withdrawal at any time by the relevant rating organisation. The ratings assigned to the Notes should be evaluated independently from similar ratings on other types of securities. There is no assurance that the ratings of the Notes will continue for any period of time or that they will not be lowered, reviewed, suspended or withdrawn by the Rating Agencies. In addition,

the continued rating of the Notes will be, *inter alia*, dependent on the Issuer fulfilling its notification requirements to the relevant Rating Agencies. In the event that the ratings initially assigned to the Notes by the Rating Agencies are subsequently withdrawn or lowered for any reason, no person or entity is obliged to provide any additional support or credit enhancement to the Notes.

Sharing of proceeds with other Secured Creditors

The proceeds of collection and enforcement of the Security created by the Issuer in favour of the Security Trustee will be distributed in accordance with the applicable Priority of Payments to satisfy claims of all Secured Creditors thereunder. If the proceeds are not sufficient to satisfy all obligations of the Issuer certain parties will suffer a Loss. See "*PRE-ACCELERATION PRIORITY OF PAYMENTS*" and "*POST-ACCELERATION PRIORITY OF PAYMENTS*".

Meetings of Noteholders, modification and waivers

The Notes and the Residual Certificates contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders and Certificateholders including Noteholders and Certificateholders who did not attend and vote at the relevant meeting and Noteholders and Certificateholders who voted in a manner contrary to the majority.

The Notes, the Residual Certificates and the Trust Deed also provide that the Note Trustee may agree, without the consent of the Noteholders or the Certificateholders, to certain modifications of the Notes, the Residual Certificates and the Transaction Documents, or the waiver or authorisation of certain breaches or proposed breaches of, the Notes, and the Residual Certificates or any of the Transaction Documents.

Pursuant to and in accordance with the detailed provisions of Condition 12(b) (*Amendments and waiver*) and Residual Certificate Condition 10(b) (*Amendments and waiver*), the Note Trustee shall be obliged, and shall direct the Security Trustee, without any consent of the Noteholders or the Certificateholders, to concur with the Issuer in making any modification (other than a Basic Terms Modification) to the Conditions, the Residual Certificate Conditions and/or any Transaction Document that the Issuer considers necessary or advisable for the purpose of:

- (a) complying with, or implementing or reflecting, any change in criteria of the Rating Agencies;
- (b) enabling the Issuer and/or the Cap Provider to comply with any obligation which applies to it under EMIR;
- (c) complying with any changes in the EU Retention Requirements or any other risk retention legislation, regulations or official guidance;
- (d) enabling the Notes to be or remain listed on Euronext Dublin;
- (e) enabling the Issuer or any other Transaction Party to comply with FATCA (or any voluntary agreement entered into with a taxing authority in relation thereto);
- (f) enabling the Issuer to open any custody account for the receipt of any collateral posted by the Cap Provider under the Cap Agreement in the form of securities;
- (g) for so long as the Class A Notes are intended to be held in a manner which will allow for Eurosystem eligibility, maintaining such eligibility;
- (h) complying with any changes in the requirements of the CRA Regulation (if and to the extent applicable), or which are required to comply with Article 7 of the Securitisation Regulation if an STS notification is subsequently made in relation to the Transaction;
- (i) changing the benchmark rate on the Floating Rate Notes from LIBOR to an Alternative Benchmark Rate (and such other amendments as are necessary or advisable in the reasonable judgment of the Issuer (or the Servicer on its behalf) to facilitate such changes) to

the extent there has been or there is reasonably expected to be a material disruption or cessation to LIBOR (including changing the benchmark rate referred to in any interest rate hedging agreement to align such rate with the proposed change to LIBOR in respect of such Notes or other such consequential amendments) or where the Calculation Agent makes adjustments to the Cap Agreement following the occurrence of a Benchmark Event thereunder.

Each of the Issuer, the Note Trustee and the Security Trustee will rely without further investigation on any certification provided to it in connection with the transaction amendments and will not be required to monitor or investigate whether the Servicer is acting in a commercially responsible manner or be liable to any person by acting in accordance with any certification it receives from the Servicer.

Deferral of interest payments

If, on any Interest Payment Date in relation to any Class of Notes (other than the then Most Senior Class of Notes outstanding), the Issuer has insufficient funds to make payment in full of all amounts of interest (including any interest accrued thereof) payable in respect of any of the junior-ranking Classes of Notes (after having paid or provided for items of higher priority in the Pre-Acceleration Revenue Priority of Payments), then the Issuer will pay only a pro rata share of such aggregate funds by way of interest with respect to each such junior ranking Class of Notes and be entitled under Condition 6 (*Additional interest and subordination*) to defer payment of the unpaid amount until the following Interest Payment Date on which sufficient funds are available to fund the payment of such deferred interest to the extent of such available funds, in accordance with the Conditions.

Only failure to pay interest on the then Most Senior Class of Notes outstanding when the same becomes due and payable only shall constitute an Event of Default under the Notes which may result in the Security Trustee enforcing the Security.

Limitation of Time

The Notes and the Residual Certificates will become void unless such claims are made within 10 years after the Legal Maturity Date. After the date on which the Notes and the Residual Certificate become void, no claim (ie for interest and principal and/or other applicable amounts) may be made in respect of the Notes and the Residual Certificates

Interest on the Floating Rate Notes

The interest rate payable by the Issuer with respect to the Floating Rate Notes is calculated as the sum of LIBOR and the applicable margin (the sum is subject to a floor of zero) as set out in the Conditions. In the event that LIBOR were to fall to a negative rate which exceeds the applicable margin, the holders of a Class of Floating Rate Notes will not receive any interest payments on that Class of Notes.

Interest Rate Risk/Risk of Cap Provider Insolvency

Noteholders may be subject to interest rate risk

Payments in respect of the Purchased Receivables made to the Seller by an Obligor under an HP Agreement comprise monthly amounts calculated with respect to a fixed interest rate which may be different to LIBOR, which is the rate of interest (plus a margin) payable on the Floating Rate Notes.

The Issuer has entered into the Cap Agreement. The purpose of the Cap Agreement is to mitigate the interest rate risk of the Issuer arising in connection with the issuance of the Floating Rate Notes. The Cap Agreement consists of a 1992 ISDA Master Agreement, the associated schedule, an interest rate cap confirmation and a credit support annex thereunder.

Pursuant to the Cap Agreement entered into by the Issuer and the Cap Provider, the Issuer will pay to the Cap Provider (or there will be paid to the Cap Provider on the Issuer's behalf) the Cap Premium on or about the Closing Date.

In return, the Cap Provider will pay to the Issuer on each Interest Payment Date an amount equal to the product of (i) the Cap Notional Amount and (ii) a rate equal to the percentage by which LIBOR exceeds the Cap Rate and (iii) the Day Count Fraction.

During those periods in which LIBOR does not exceed the Cap Rate under the Cap Agreement, no such payment will be due to the Issuer. During periods in which LIBOR is higher than the Cap Rate under the Cap Agreement, the Issuer will be more dependent on receiving payments from the Cap Provider in order to make interest payments on the Notes. If the Cap Provider fails to pay any amounts when due under the Cap Agreement, the Collections from Purchased Receivables and the Reserve Fund may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments on the Notes.

In addition, the Cap Notional Amount for each Interest Period will be determined in accordance with a fixed amortisation schedule appended to the interest rate cap transaction confirmation (see "*OVERVIEW OF THE TRANSACTION DOCUMENTS – Cap Agreement*"), which is unlikely to exactly match – and could (depending on the rate of repayment on the Notes) deviate significantly from – the Aggregate Outstanding Note Principal Amount of the Floating Rate Notes. During periods in which (a) LIBOR exceeds the Cap Rate and (b) the Cap Notional Amount is less than the Aggregate Outstanding Note Principal Amount of the Floating Rate Notes, payments under the Cap Agreement will not fully mitigate interest rate risks, which could in turn affect the ability of the Issuer to meet its obligations under the Notes and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes and the Residual Certificates.

Termination of Cap Agreement

Generally, the cap transaction under the Cap Agreement may only be terminated early upon the occurrence of certain events of default or termination events set forth in the Cap Agreement.

The Cap Provider may terminate the Cap Agreement if, among other things, (i) the Issuer becomes insolvent, (ii) the Issuer fails to make a payment under the Cap Agreement when due and such failure is not remedied within 3 Business Days of notice of such failure being given, (iii) performance of the Cap Agreement becomes illegal or a force majeure event occurs, (iv) an Enforcement Event occurs under the Conditions, (v) payments from the Cap Provider are increased for a set period of time due to tax reasons or (vi) all of the Floating Rate Notes then outstanding become subject to redemption as a result of a Clean-up Call or exercise of optional redemption for tax reasons pursuant to Condition 5(b) (*Redemption for taxation reasons*) (vii) an amendment is made to the Transaction Documents which affects the timing or priority of payments under the Cap Agreement without the consent of the Cap Provider, or (viii) The Issuer misrepresents its status in respect of EMIR (as to which see "*REGULATORY CONSIDERATIONS - European Market Infrastructure Regulation (EMIR) and Markets in Financial Instruments Directive (MiFID)*"). The Issuer may terminate the Cap Agreement if, among other things, (i) the Cap Provider becomes insolvent, (ii) such Cap Provider fails to make a payment under the Cap Agreement when due and such failure is not remedied within 3 Business Days of notice of such failure being given, (iii) performance of the Cap Agreement becomes illegal or a force majeure event occurs, (iv) payments to the Issuer are reduced due to tax for a period of time. (v) the Cap Provider fails to comply with the various downgrade requirements of the Rating Agencies, or (vii) the benchmark rate on the Floating Rate Notes is changed and the Alternative Benchmark Rate is different to the benchmark rate under the Cap Agreement. The transaction under the Cap Agreement will terminate upon redemption of the Notes in full.

The Issuer is exposed to the risk that the Cap Provider may become insolvent or may suffer from a ratings downgrade. In the event that the Cap Provider suffers a ratings downgrade and ceases to be an Eligible Cap Provider, the Issuer may terminate the Cap Agreement if such Cap Provider fails, within a set period of time, to take certain actions intended to mitigate the effects of such downgrade. Such actions could include such Cap Provider collateralising its obligations as a referenced amount calculated in accordance with a credit support annex to the 1992 ISDA Master Agreement, transferring its obligations to a replacement Cap Provider or procuring a guarantee. However, in the event such Cap Provider is downgraded there can be no assurance that a guarantor or replacement Cap Provider will be found or that the amount of collateral will be sufficient to meet the Cap Provider's obligations.

If the Cap Agreement is terminated by either party or the Cap Provider becomes insolvent, the Issuer may not be able to enter into a replacement Cap Agreement immediately or at all. To the extent a replacement cap is not entered into on a timely basis, the amount available to pay the principal of and interest under the Notes will be reduced if the interest rates under such Notes exceed the Cap Rate under the terminated Cap Agreement. Under these circumstances the Purchased Receivables and the Reserve Fund may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments on the Notes.

In the event of the insolvency of the Cap Provider, the Issuer will be treated as a general creditor of such Cap Provider and is consequently subject to the credit risk of such Cap Provider. To mitigate this risk, under the terms of the Cap Agreement, the Cap Provider will be obliged to post collateral or take an alternative remedy in accordance with the terms of the Cap Agreement in the event that the relevant ratings of such Cap Provider fall below certain levels (which are set out in the Cap Agreement and described in further detail in the section entitled "*TRIGGERS TABLE – RATING TRIGGERS TABLE*") while the Cap Agreement is outstanding. However, no assurance can be given that sufficient collateral will be available to the Cap Provider such that it is able to post collateral in accordance with the requirements of the Cap Agreement or that the collateral will be posted on time in accordance with the Cap Agreement. If the Cap Provider fails to post sufficient collateral, there is a risk that the Issuer will have insufficient funds to make payments on the Notes.

In the event that the relevant ratings of the Cap Provider are below certain levels (which are set out in the Cap Agreement and described in further detail in the section entitled "*TRIGGERS TABLE – RATING TRIGGERS TABLE*") while the Cap Agreement is outstanding, the Cap Provider will, in accordance with the terms of the Cap Agreement, be required to elect to take certain remedial measures within the applicable time frame stipulated in the Cap Agreement (at its own cost) which may include providing collateral in support of its obligations under the Cap Agreement, arranging for its obligations under the Cap Agreement to be transferred to an entity which is an Eligible Cap Provider, procuring another entity which is an Eligible Cap Provider to become co-obligor or guarantor in respect of its obligations under the Cap Agreement, or taking such other action as required to maintain or restore the rating of the Notes. However, no assurance can be given that, at the time that such actions are required, sufficient collateral will be available to the Cap Provider for posting or that another entity which is an Eligible Cap Provider will be available to become a replacement Cap Provider, co-obligor or guarantor or that the Cap Provider will be able to take the requisite other action. If the remedial measures following a downgrade of the Cap Provider below the level of an Eligible Cap Provider are not taken within the applicable time frames, this will permit the Issuer to terminate the Cap Agreement early.

Absence of secondary market liquidity and market value of the Notes and the Residual Certificates

Although application will be made to Euronext Dublin for the Notes to be listed on the official list and to be admitted to trading on the regulated market of Euronext Dublin, there is currently no secondary market for the Notes (or the Residual Certificates, which will not be listed). There can be no assurance that there will be bids and offers and that a liquid secondary market for the Notes or the Residual Certificates will develop or that a market will develop for the Notes or the Residual Certificates or, if it develops, that it provides sufficient liquidity to absorb any bids, or that it will continue for the whole life of the Notes or the Residual Certificates.

Further, limited liquidity in the secondary market for asset-backed securities has had a severe adverse effect on the market value of asset-backed securities and may continue to have a severe adverse effect on the market value of asset-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors. Consequently, any purchaser of the Notes or the Residual Certificates must be prepared to hold such Notes or the Residual Certificates for an indefinite period of time or until final redemption or maturity of such Notes or the Residual Certificates. The market values of the Notes and the Residual Certificates are likely to fluctuate. Any such fluctuation may be significant and could result in significant losses to investors in

the Notes or the Residual Certificates. In addition, the forced sale into the market of asset-backed securities held by structured investment vehicles, hedge funds, issuers of collateralised debt obligations and other similar entities that are currently experiencing funding difficulties could adversely affect an investor's ability to sell, and/or the price an investor receives for the Notes or the Residual Certificates in the secondary market.

Consequently, any sale of the Notes or the Residual Certificates by the relevant Noteholders or Certificateholders in any secondary market transaction may be at a discount to the original purchase price of such Notes or Residual Certificates. Accordingly, investors should be prepared to remain invested in the Notes or the Residual Certificates until the Legal Maturity Date.

Reform of LIBOR Determinations

Financial market reference rates and their calculation and determination procedures have come under close public scrutiny in recent years. Starting in 2009, authorities in jurisdictions such as the European Union, the United States, Japan and others have investigated cases of alleged misconduct around the rate-setting of LIBOR and other reference rates. A number of initiatives to reform reference rate-setting have been launched as a consequence by the regulatory and supervisory communities as well as the financial markets.

At a European Union institutional level, Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds has been published in the Official Journal of the European Union (the "**Benchmark Regulation**"). The Benchmark Regulation entered into force on 30 June 2016 and applies from January 2018.

At a United Kingdom level, certain reforms have already been adopted, including the replacement of the British Bankers' Association with ICE Benchmark Administration Limited ("**IBA**") as the new administrator of LIBOR.

In a speech on 27 July 2017, Andrew Bailey, the Chief Executive of the FCA, announced the FCA's intention to cease sustaining LIBOR from the end of 2021.

The FCA has statutory powers to compel panel banks to contribute to LIBOR where necessary. The FCA has decided not to ask, or to require, that panel banks continue to submit contributions to LIBOR beyond the end of 2021. The FCA has indicated that the current panel banks will voluntarily sustain LIBOR until the end of 2021. The FCA's intention is that after 2021, it will no longer be necessary for the FCA to persuade, or to compel, banks to submit to LIBOR. The FCA does not intend to sustain LIBOR through using its influence or legal powers beyond that date.

It is possible that the LIBOR administrator, IBA, and the panel banks could continue to produce LIBOR on the current basis after 2021, if they are willing and able to do so. However, the survival of LIBOR in its current form, or at all, is not guaranteed after 2021.

It is not possible to ascertain as at the date of this Prospectus (i) what the impact of these initiatives and the reforms will be on the determination of LIBOR in the future, which could adversely affect the value of the Notes, (ii) how such changes may impact the determination of LIBOR for the purposes of the Floating Rate Notes and the Cap Agreement, (iii) whether any changes will result in a sudden or prolonged increase or decrease in LIBOR rates or (iv) whether such changes will have an adverse impact on the liquidity or the market value of the Notes and the payment of interest thereunder.

Investors should note that:

- (a) any of these reforms or pressures or any other changes to a relevant interest rate benchmark (including LIBOR) could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be;
- (b) if LIBOR is discontinued and an amendment as described in paragraph (c) below has not been made, then the rate of interest on the Floating Rate Notes will be determined for each

applicable interest period by the fall-back provisions provided for under Condition 4(d) (*LIBOR determination*), although such provisions, being dependent in part upon the provision by Reference Banks of offered quotations for the LIBOR rate, may not operate as intended (depending on market circumstances and the availability of rates information at the relevant time) and may result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR was available

- (c) while an amendment may be made under Condition 12(b) (*Amendments and waiver*) or Residual Certificate Condition 10(b) (*Amendments and waiver*) to change the LIBOR rate on the Floating Rate Notes to an alternative benchmark rate under certain circumstances broadly related to LIBOR disruption or discontinuation and subject to certain conditions, there can be no assurance that any such amendment will be made or, if made, that it will (i) fully or effectively mitigate interest rate risks or result in an equivalent methodology for determining the interest rates on the Floating Rate Notes or (ii) be made prior to any date on which any of the risks described in this risk factor may become relevant; and
- (d) if LIBOR is discontinued, and whether or not an amendment is made under Condition 12(b) (*Amendments and waiver*) or Residual Certificate Condition 10(b) (*Amendments and waiver*) to change the LIBOR rate on the Floating Rate Notes as described in paragraph (c) above, there can be no assurance that the applicable fall-back provisions under the Cap Agreement would operate so as to ensure that the base floating interest rate used to determine any payments made by the Cap Provider under the Cap Agreement is the same as that used to determine interest payments under the Floating Rate Notes, or that the Cap Provider would consent to any change to the benchmark rate under the Cap Agreement in accordance with Condition 12(b) (*Amendments and waiver*) or Residual Certificate Condition 10(b) (*Amendments and waiver*) or that any such change would allow the transactions under the Cap Agreement to effectively mitigate interest rate risk on the Floating Rate Notes. In addition, in connection with a cessation, modification or event which means the parties are no longer permitted to use LIBOR as a benchmark, the Cap Agreement contains provisions whereby the Calculation Agent can make required adjustments as are necessary to ensure the legal and commercial efficacy of the Cap Agreement. Such adjustments may include changing the Floating Rate Option (as defined in the Cap Agreement). There can be no assurance that any such adjustments will result in the Floating Rate Option (as defined in the Cap Agreement) under the Cap Agreement being the same as the modified reference rate for the Notes. In addition, the Calculation Agent may make a running adjustment to the Spread (as defined in the Cap Agreement) that the Calculation Agent determines is required in order to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one party to the other as a result of any adjustments made to the Cap Agreement in these circumstances. When making any such adjustments, the Calculation Agent shall act in good faith and in a commercially reasonable manner.

Investors should note the various circumstances under which a change to the benchmark rate may be made, which are specified in paragraphs (aa) to (ii) of Condition 12(b)(ii)(9)(A). As noted above these events broadly relate to LIBOR's disruption or discontinuation, but also include, *inter alia*, any public statements by the LIBOR administrator or its supervisor to that effect, and a Benchmark Rate Modification may also be made if the Issuer (or the Servicer on its behalf) reasonably expects certain of these events to occur within six months of the proposed effective date of such Benchmark Rate Modification or if the Calculation Agent makes adjustments to the Cap Agreement to ensure its legal and commercial efficacy as described above. Investors should also note the various options permitted as an Alternative Benchmark Rate as set out in paragraphs (aa) to (cc) of Condition 12(b)(ii)(9)(C), which include such benchmark rate as the Issuer (or the Servicer on its behalf) reasonably determines. Investors should also note the negative consent requirements in relation to a Benchmark Rate Modification (as to which see "*RISK FACTORS – Meetings of Noteholders, modification and waivers*" above).

When implementing any Benchmark Rate Modification, the Note Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely and without further investigation on any certificate (including but not limited to a Benchmark Rate Modification Certificate) or other evidence (including, but not limited to a Rating Agency Confirmation) provided to them by the Issuer or Servicer, as the case may be, pursuant to Condition 12(b) (*Amendments and waiver*) or Residual Certificate Condition 10(b) and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person.

More generally, any of the above matters (including an amendment to change the LIBOR rate as described in paragraph (c) above) or any other significant change to the setting or existence of LIBOR could affect the ability of the Issuer to meet its obligations under the Notes and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes and the Residual Certificates. Changes in the manner of administration of LIBOR could result in adjustment to the Conditions and the Residual Certificate Conditions, early redemption, discretionary valuation by the Interest Determination Agent, delisting or other consequence in relation to the Notes and the Residual Certificates. No assurance may be provided that relevant changes will not be made to LIBOR or any other relevant benchmark rate and/or that such benchmarks will continue to exist. Investors should consider these matters when making their investment decision with respect to the Notes and the Residual Certificates.

REGULATORY CONSIDERATIONS

Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes and the Residual Certificates

Political and regulatory scrutiny of the asset-backed securities industry has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes and the Residual Certificates are responsible for analysing their own regulatory position and none of the Issuer, the Seller, the Arranger, the Joint Lead Managers nor any other party to the Transaction Documents makes any representation to any prospective investor or purchaser of the Notes and the Residual Certificates regarding the regulatory capital treatment of their investment in the Notes and the Residual Certificates on the Closing Date or at any time in the future. Any changes to the regulation or regulatory treatment of the Notes and the Residual Certificates for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes and the Residual Certificates in the secondary market.

European Market Infrastructure Regulation (EMIR) and Markets in Financial Instruments Directive (MiFID)

Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, known as the European Market Infrastructure Regulation ("**EMIR**") came into force on 16 August 2012.

On 19 December 2012, the European Commission adopted nine of ESMA's Regulatory Technical Standards (the "**Adopted RTS**") and Implementing Technical Standards (the "**Adopted ITS**") on OTC Derivatives, CCPs and Trade Repositories (the Adopted RTS and Adopted ITS together being the "**Adopted Technical Standards**"), which included technical standards on clearing, reporting and risk mitigation (see further below). The Adopted ITS were published in the Official Journal of the European Union on 21 December 2012 and entered into force on 10 January 2013 (although certain of the provisions thereof will only take effect once the associated regulatory technical standards enter into force). The Adopted RTS were published in the Official Journal of the European Union on 23 February 2013 and entered into force on 15 March 2013. Since then, various regulatory technical standards, implementing technical standards, guidelines and standards for recognition, authorisation and supervision have been issued. In addition, from time to time, the European Securities and Markets

Authority and the European Commission have issued and updated the relevant questions and answers to clarify some of the EMIR provisions and the EMIR technical standards.

EMIR introduces certain requirements in respect of OTC derivative contracts applying to financial counterparties ("**FCPs**"), such as investment firms, credit institutions and insurance companies and certain non-financial counterparties ("**Non-FCPs**"). Such requirements include, amongst other things, the mandatory clearing of certain OTC derivative contracts (the "**Clearing Obligation**") through an authorised central counterparty (a "**CCP**"), the reporting of OTC derivative contracts to a trade repository (the "**Reporting Obligation**") and certain risk mitigation requirements (including the requirement to post initial and variation margin) in relation to OTC derivative contracts which are not centrally cleared (the "**Risk Mitigation Obligations**").

The Clearing Obligation applies to FCPs and certain Non-FCPs which (along with other Non-FCPs in its "group") have positions in OTC derivative contracts exceeding specified 'clearing thresholds' (such Non-FCPs, "**NFC+s**"). Such OTC derivative contracts also need to be of a class of derivative which has been designated by ESMA as being subject to the Clearing Obligation. As at the date of this Prospectus, ESMA has proposed certain classes of interest rate derivatives, credit derivatives and non-deliverable forwards to be subject to the Clearing Obligation. In relation to interest rate derivatives, the Delegated Regulation containing the Regulatory Technical Standards on central clearing for interest rate derivatives ("**Central Clearing RTS**"), which was published in the Official Journal of the European Union on 1 December 2015 and took effect as of 21 December 2015. In relation to certain classes of interest rate derivatives denominated in Swedish krona, Polish zloty or Norwegian Krone, the Delegated Regulation containing the Regulatory Technical Standards on the central clearing for certain classes of interest rate derivatives denominated in those currencies was published in the Official Journal of the European Union on 20 July 2016 and the first clearing obligations started on 9 February 2017. On the basis that the Issuer is currently a Non-FCP whose positions, together with the positions of all other non-financial counterparties in its "group", in OTC derivatives (after the exclusion of hedging positions) do not exceed any of the specified clearing thresholds (an "**NFC-**"), OTC derivative contracts that are entered into by the Issuer would not in any event be subject to the Clearing Obligation. If the Issuer's counterparty status as an NFC- changes then certain OTC derivatives contracts that are entered into by the Issuer may become subject to the Clearing Obligation.

If the Clearing Obligation did apply to the Issuer, a CCP would be used to meet the Clearing Obligation by interposing itself between the counterparties to the eligible OTC derivative contracts. For the purposes of satisfying the Clearing Obligation, EMIR requires derivative counterparties to become clearing members of a CCP, a client of a clearing member or to otherwise establish indirect clearing arrangements with a clearing member. Each derivative counterparty will be required to post both initial and variation margin to the clearing member (which in turn will itself be required to post margin to the CCP). EMIR requires CCPs to only accept highly liquid collateral with minimal credit and market risk, which is defined in the Adopted Technical Standards to include cash in certain currencies, gold and highly rated government bonds.

The Reporting Obligation applies to all types of counterparties and covers the entry into, modification or termination of cleared and non-cleared derivative contracts which were entered into (i) before 16 August 2012 and which remain outstanding on 16 August 2012, or (ii) on or after 16 August 2012. The details of all such derivative contracts are required to be reported to a trade repository. It will therefore apply to the Cap Agreement and any replacement cap agreement. As permitted by EMIR, the Issuer has currently delegated its reporting of the Cap Agreement to the Cap Provider, who has agreed to report the details of the Cap Agreement on behalf of the Issuer as required by the Reporting Obligation. However, notwithstanding such delegation the Issuer remains responsible under EMIR for compliance with the Reporting Obligation.

FCPs and Non-FCPs which enter into non-cleared derivative contracts must ensure that appropriate procedures and arrangements are in place to measure, monitor and mitigate operational and counterparty credit risk. Such procedures and arrangements include, amongst other things, the timely confirmation of the terms of a derivative contract and formalised processes to reconcile trade

portfolios, identify and resolve disputes and monitor the value of outstanding contracts. In addition, FCPs and those Non-FCPs which exceed the specified clearing thresholds must also mark-to-market the value of their outstanding derivative contracts on a daily basis and have risk-management procedures that require the timely, accurate and appropriately segregated exchange of collateral.

The EU regulatory framework and legal regime relating to derivatives is set not only by EMIR but also by the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU ("**MiFiD II**") and Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 ("**MiFIR**" together with MiFiD II "**MiFiD II / MiFIR**") which were published in the EU Official Journal on 12 June 2014 and entered into force on 2 July 2014. MiFIR is a Level -1 regulation and requires secondary rules for full implementation of all elements. The implementing measures that supplement MiFIR will take the form of delegated acts and technical standards. On 23 April 2014 the Commission asked ESMA to produce technical advice on the necessary delegated acts. On 22 May 2014 ESMA launched its consultation process which is on-going. MiFiD II / MiFIR applies from 3 January 2018.

Amongst other requirements, MiFIR requires certain standardised derivatives between FCPs and NFC+s to be traded on exchanges and electronic platforms (the "**Trading Obligation**"). Certain interest rate and credit derivatives transactions are subject to the Trading Obligation from 3 January 2018. Further regulatory technical standards will be developed to determine which derivatives will be subject to the Trading Obligation. In this respect, it is difficult to predict the full impact of these regulatory requirements on the Issuer. However, on the basis that the Issuer is currently an NFC- it would not be subject to the Trading Obligation but the Issuer could therefore become subject to the trading obligation if its status as a NFC- changes in the future.

Prospective investors should be aware that the regulatory changes arising from EMIR and MiFiD II / MiFIR may in due course significantly raise the costs of entering into derivative contracts and may adversely affect the Issuer's ability to engage in transactions in OTC derivatives. As a result of such increased costs or increased regulatory requirements, investors may receive less interest or return, as the case may be. Investors should be aware, however, that such risks are material and that the Issuer could be materially and adversely affected thereby. As such, investors should consult their own independent advisors and make their own assessment about the potential risks posed by EMIR, technical standards made thereunder (including the Adopted Technical Standards) and the MiFiD II / MiFIR, in making any investment decision in respect of the Notes and the Residual Certificates.

Notwithstanding the qualifications on application described above, the position of the Cap Agreement under the Clearing Obligation is not entirely clear and may be affected by further measures to be made, regulatory guidance and/or by any inability to rely on an exemption for any reason. In this regard, we note that the European authorities recently adopted a new Securitisation Regulation (see the section entitled "*RISK RETENTION AND DUE DILIGENCE REQUIREMENTS*" below) which applies from the start of 2019 and which includes, amongst other matters, amendments to EMIR. The amendments make provision for the development of technical standards further specifying an exemption from the Clearing Obligation and the Risk Mitigation Obligations for certain OTC derivatives contracts entered into by a securitisation special purpose entity in connection with certain securitisations.

In addition, the application of some of the EMIR provisions and the EMIR technical standards remains uncertain and, given that additional technical standard or amendments to the existing EMIR provisions may come into effect in due course, prospective investors should be aware that the relevant Transaction Documents may need to be amended during the course of the Transaction, without the consent of any Noteholder or Certificateholder, to ensure that the terms thereof and the parties obligations thereunder are in compliance with EMIR and/or the then subsisting EMIR technical standards. As noted above, the Note Trustee may concur with the Issuer in making certain modifications to the Transaction Documents without any consent of the Noteholders or the Certificateholders, including those it considers necessary or advisable for the purpose of enabling the

Issuer and/or the Cap Provider to comply with any obligation which applies to it under EMIR (see "*RISK FACTORS – Meetings of Noteholders, modification and waivers*" for more details).

Separately, it should also be noted that further changes may be made to the EMIR framework in the context of the EMIR review process, including in respect of counterparty classification. If the proposals are adopted in the form originally proposed by the European Commission, the classification of certain counterparties under EMIR would change including with respect to certain entities such as the Issuer, such that they are classified as FCPs. It is not clear when, and in what form, the legislative proposals (and any corresponding technical standards) will be adopted and will become applicable. In addition, the compliance position under any adopted amended framework of swap transactions entered into prior to adoption is uncertain. It appears from the Council's Presidency compromise text dated 15 November 2017 that the Council does not support the proposal of the European Commission to change the classification of entities such as the Issuer under EMIR. The proposal is currently under review by the European Parliament and a vote in the European Parliament is expected to be held at the end of April 2018. As the legislative procedure has not been concluded yet, no assurances can be given that any changes made to EMIR would not cause the classification of Issuer to change and lead to some or all of the potentially adverse consequences outlined above.

CRA3

Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No 513/2011 and by Regulation (EU) No 462/2013 ("**CRA3**") provides for certain additional disclosure requirements in relation to structured finance transactions (the "**Article 8b Requirements**"). Such disclosures need to be made via a website to be set up by the ESMA. On 26 January 2015, the Commission Delegated Regulation (EU) 2015/3 of 30 September 2014 came into force containing regulatory technical standards ("**RTS**") adopted by the European Commission to implement provisions of CRA3. The RTS specify (i) the information that the issuer, originator and sponsor of a structured finance instrument ("**SFI**") established in the European Union must jointly disclose on the ESMA website, (ii) the frequency with which this information is to be updated and (iii) the presentation of this information by means of standardised disclosure templates. The RTS applies with effect from 1 January 2017. On 27 April 2016 ESMA announced that, due to several issues in preparing for the establishment of the SFIs website, it was unlikely that the SFIs website would be available to reporting entities by 1 January 2017. At the date of this Prospectus, the ESMA website is not available to the reporting entities. In addition, ESMA did not publish the related technical instructions by 1 July 2016. In relation to SFIs issued between the date of entry into force of the RTS and the date of their application, the issuer, originator and sponsor are only required to comply with the reporting requirements in relation to the SFIs which are still outstanding at the date of application of the RTS.

The Article 8b Requirements are repealed by Regulation (EU) 2017/2402 (the "**Securitisation Regulation**"), which applies (subject to certain exceptions) to securitisations the securities of which are issued on or after 1 January 2019. The Securitisation Regulation puts in place revised disclosure requirements (the "**SR Disclosure Requirements**"), for securitisations to which it applies and securitisations that seek to obtain simple, transparent and standardised ("**STS**") status. Disclosure requirements for securitisations to which the Securitisation Regulation do not apply and which do not seek to obtain STS status are not explicitly provided for under the SR Disclosure Requirements, and an ESMA consultation dated 19 December 2017 suggests that "non-STS securitisations" (such as this Transaction) appear to be exempt from disclosure requirements. At the date of this Prospectus, there remains uncertainty as to what the consequences would be for the Issuer, related third parties and investors resulting from any potential non-compliance by the Issuer with the Article 8b Requirements.

Basel Capital Accord and regulatory capital requirements

The regulatory capital framework published by the Basel Committee on Banking Supervision (the "**Basel Committee**") in 2006 (the "**Basel II framework**") has not been fully implemented in all participating countries. The implementation of the framework in relevant jurisdictions may affect the risk-weighting of the Notes and the Residual Certificates for investors who are or may become subject to capital adequacy requirements that follow the framework.

The Basel Committee has subsequently approved significant changes and extensions to the Basel II framework (such changes and extensions being commonly referred to as "**Basel III**"), including new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. In particular, the changes refer to, amongst other things, new requirements for the capital base (including an increase in the minimum Tier 1 capital requirement), measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (the latter being referred to as the "**Liquidity Coverage Ratio**" and the "**Net Stable Funding Ratio**", respectively). The European Union authorities have now incorporated the Basel III framework into EU law, primarily through Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (Capital Requirements Directive - "**CRD**") and the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation - "**CRR**") known as the "**CRD IV Package**", which generally entered into application in the EU on 1 January 2014. It should be noted that, whilst the provisions of the CRD were required to be incorporated into the domestic law of each EU member state, the CRR has direct effect, and does not need to be implemented into the relevant national law.

Additionally, in accordance with Article 460 of the CRR, on 17 January 2015, the Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions (the "**LCR Regulation**") was published in the Official Journal of the European Union; this subsequently entered into application on 1 October 2015. The LCR Regulation sets out assumed asset inflow and outflow rates to better reflect actual experience in times of stress. Further, it sets out the EU application of the Liquidity Coverage Ratio, and defines specific criteria for assets to qualify as "high quality liquid assets", the market value of which shall be used by credit institutions for the purposes of calculating their relevant Liquidity Coverage Ratio. As the LCR Regulation is relatively new, and given the lack of EU-level guidance on the interpretation of the LCR Regulation, no assurance can be given as to whether the Notes or the Residual Certificates qualify as high quality liquid assets in each participating country and the Issuer makes no representation as to whether such criteria are met by the Notes or the Residual Certificates. It should also be noted that, although the Liquidity Coverage Ratio entered into general application with the remainder of the LCR Regulation on 1 October 2015, under certain transitional provisions the minimum liquidity coverage requirement was only initially 60%, before rising in stages to reach 100% on 1 January 2018. The Net Stable Funding Ratio was also expected to enter into general application in January 2018; however, this has not yet occurred and is now likely to form part of CRR II, as referred to below.

The changes under CRD IV and Basel III as described above may have an impact on the capital requirements in respect of the Notes and the Residual Certificates and/or on incentives to hold the Notes and the Residual Certificates for investors that are subject to requirements that follow the relevant framework and, as a result, may affect the liquidity and/or value of the Notes and the Residual Certificates.

In general, investors should consult their own advisors as to the regulatory capital requirements in respect of the Notes and the Residual Certificates and as to the consequences to and effect on them of any changes to the Basel II framework (including the Basel III changes described above) and, in particular, by the CRD IV Package, CRR II and CRD V (as referred to below) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Investors who are subject to prudential requirements under any other regulations (such as the Solvency II Regulation, as defined below) should consult their own advisers as regards the regulatory capital requirements applicable to the Notes and as regards the consequences to and effect on them of holding any of the Notes.

Risk retention and due diligence requirements

Article 405 of the CRR places an obligation on a credit institution that is subject to the CRD which assumes exposure to the credit risk of a securitisation (as defined in Article 242 of the CRR) to ensure that the originator, sponsor or original lender has explicitly disclosed that it will retain a material net economic interest of not less than 5% in the securitisation, and has a thorough understanding of all structural features of a securitisation transaction that would materially impact the performance of their exposures to the transaction. Furthermore, Article 405 of the CRR restricts an EU regulated credit institution from investing in asset-backed securities unless the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the EU regulated credit institution that it will retain, on an on-going basis, a net economic interest of not less than 5% in respect of certain specified credit risk tranches or asset exposures as contemplated by Article 405 of the CRR. Failure to comply with one or more of the requirements set out in Article 405 of the CRR will result in the imposition of a penal capital charge (potentially a risk weight of up to 1250%, as set out below) on the Notes or the Residual Certificates acquired by the relevant investor.

Investors should therefore make themselves aware of the requirements of Article 405-410 of the CRR as well as the respective national implementation legislation, where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes and the Residual Certificates.

With respect to the commitment of the Seller to retain a material net economic interest in the Transaction as contemplated by Article 405 of the CRR, the Seller will retain, for the life of the Transaction, such net economic interest through an investment in the Class E Notes which is equivalent to no less than 5% of the nominal amount of the "securitised exposures" (i.e. the Purchased Receivables) at the Closing Date.

The outstanding balance of the retained exposures may be reduced over time by, amongst other things, amortisation and allocation of losses or defaults on the underlying Purchased Receivables. The Monthly Investor Reports will also set out monthly confirmation as to the Seller's continued holding of the original retained exposures. It should be noted that there is no certainty that references to the retention obligations of the Seller in this Prospectus will constitute explicit disclosure (on the part of the Seller) or adequate due diligence (on the part of the Noteholders and the Certificateholders) for the purposes of Article 406 of the CRR.

Article 406 of the CRR also places an obligation on credit institutions that are subject to the CRD, before investing in a securitisation transaction and thereafter, to analyse, understand and stress test their securitisation positions, and monitor on an on-going basis and in a timely manner performance information on the exposures underlying their securitisation positions. After the Closing Date, the Seller or the Servicer will provide information for the Monthly Investor Reports wherein relevant information with regard to the Purchased Receivables will be disclosed publicly together with an overview of the retention of the material net economic interest by the Seller with a view to complying with Article 409 of the CRR.

Where the relevant retention requirements are not complied with in any material respect and there is negligence or omission in the fulfilment of the due diligence obligations on the part of a credit institution that is investing in the Notes and the Residual Certificates, a proportionate additional risk weight of no less than 250% of the risk weight (with the total risk weight capped at 1250%) which would otherwise apply to the relevant securitisation position shall be imposed on such credit institution, progressively increasing with each subsequent infringement of the due diligence provisions. Potential investors should make themselves aware of the provisions of the CRD IV Package and make their own investigation and analysis as to the impact of the CRD IV Package on any holding of the Notes and the Residual Certificates.

If the Seller does not comply with its obligations under the CRD IV Package, the ability of the Noteholders and Certificateholders to sell, and/or the price investors receive for, the Notes and the Residual Certificates in the secondary market may be adversely affected.

Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with the CRD IV Package and none of the Issuer, the Seller, the Corporate Services Provider, the Arranger nor the Joint Lead Managers makes any representation that the information described above is sufficient in all circumstances for such purposes.

Article 405 CRR came into force as of 1 January 2014. The European Banking Authority ("**EBA**") published on 17 December 2013 the final draft technical standards to be made under the re-cast risk retention and due diligence requirements which do not largely replicate the previous guidelines published by the Committee of European Banking Supervisors ("**CEBS**"). On 13 March 2014, the European Commission published the final draft of the Delegated Regulation supplementing CRR by way of Regulatory Technical Standards ("**RTS**") specifying the requirements for investor, sponsor, original lenders and originator institutions relating to exposures to transferred credit risk. The final RTS were published in the Official Journal of the European Union on 13 June 2014 and took effect on 3 July 2014. The final RTS do not differ significantly from the version submitted to the European Commission by the EBA, but there are some key additions and changes. Noteholders and Certificateholders should take their own advice and/or seek guidance from their regulator on compliance with, and the application of, the provisions of the CRD IV Package and Article 405 of the CRR in particular.

Investors should also be aware of section 5 of Chapter III of the Commission Delegated Regulation (EU) No 231/2013 implementing the EU Alternative Investment Fund Managers Directive (2011/61/EC) ("**Section 5**"). The provisions of Section 5 introduced risk retention and due diligence requirements (which took effect from 22 July 2013 in general) in respect of alternative investment fund managers that are required to become authorised under the EU Alternative Investment Fund Managers Directive – "**AIFMD**" and which assume exposure to the credit risk of a securitisation on behalf of one or more alternative investment funds. While the requirements under Section 5 are similar to those which apply under Article 405 of the CRR et seqq. (including in relation to the requirement to disclose to alternative investment fund managers that the originator, sponsor or original lender will retain, on an on-going basis, a material net economic interest of not less than 5% in respect of certain specified credit risk tranches or asset exposures), they are not identical and, in particular, additional due diligence obligations apply to relevant alternative investment fund managers. The undertaking by the Seller in the Transaction Documents to retain a net economic interest of 5% in the Transaction does not address compliance with the due diligence requirement imposed by Section 5 on the investors. Similarly, investors should be aware of Article 135 of the EU directive on the taking up and pursuit of the business of insurance and reinsurance (2009/138/EC) ("**Solvency II**") and Article 254 of Commission Delegated Regulation (EU) No 2015/35 implementing Solvency II, which requires the imposition of similar requirements on insurers and reinsurers authorised in the EU, which again are not identical to the CRR provisions. Investors should undertake their own due diligence, take their own legal advice and/or seek guidance from their relevant national regulator in relation to compliance with Section 5 and Solvency II.

The regulatory capital treatment of the Notes and the Residual Certificates for investors is likely to be affected by future implementation of and changes to the CRD IV Package, Section 5 or other regulatory or accounting changes.

In November 2016, the European Commission published details of its proposals for an amended version of CRR and CRD IV, namely (i) CRR II (COM(2016)850) for implementation no earlier than January 2019, and (ii) CRD V (COM(2016)854), to be transposed into national law within one year of the date of its entry into force. CRD V and CRR II are currently under consideration by the European Parliament and the Council following the EU's normal legislative procedure. It is uncertain how CRD V and CRR II will affect investors as the full scope of the proposed amendments to the CRD IV Package are as yet unclear. These will be the subject of political negotiation during 2018, and binding regulatory technical standards to be developed by the EBA.

On 30 September 2015 the European Commission issued two draft regulations on securitisations. These regulations were approved on 17 January 2018. They will make some major changes to EU

securitisation rules. Amongst other things, the proposals include provisions intended to implement the revised securitisation framework developed by Basel Committee on Banking Supervision (the "**CRR Amending Regulation**") and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU regulated investors. The Securitisation Regulation also aims to create common foundation criteria for identifying "**STS securitisations**". The requirements imposed under the Securitisation Regulation and CRR Amending Regulation are more onerous and have a wider scope than those imposed under current legislation. There are material differences between this legislation and the current requirements including with respect to the parties that are responsible for ensuring compliance with the retention requirements and the originator entities eligible to retain the required interest. The Securitisation Regulations will apply to securitisations in respect of which securities are issued on or after 1 January 2019, except that certain provisions of the CRR may continue to apply for a certain grace period thereafter in relation to securitisations concluded before 1 January 2019. Prior to 1 January 2019 the EBA and ESMA will develop technical standards clarifying certain requirements under the Securitisation Regulation, including STS. No assurance can be given that the transaction will be designated as an "STS securitisation" under the Securitisation Regulation at any point in the future.

Notably, the risk weights applicable to securitisation exposures for credit institutions and investment firms will in general increase substantially under the new securitisation framework implemented under the CRR Amending Regulation and the Securitisation Regulation and these new risk weights will apply from 1 January 2019 or 1 January 2020, depending on the features of the particular securitisation exposure.

Prospective investors should carefully consider (and, where appropriate, take independent advice) in relation to the capital charges associated with an investment in the Notes and the Residual Certificates, especially during this transition period. In particular, investors should carefully consider the effects of the change (and likely increase) to the capital charges associated with an investment in the Notes and the Residual Certificates for credit institutions and investment firms expected to take effect from 1 January 2019 or 1 January 2020, depending on the particular exposure. These effects may include, but are not limited to, a decrease in demand for the Notes and the Residual Certificates in the secondary market, which may lead to a decreased price for the Notes and the Residual Certificates. It may also lead to decreased liquidity and increased volatility in the secondary market. Prospective investors are themselves responsible for monitoring and assessing changes to the EU risk retention rules and their regulatory capital requirements.

Additionally, in July 2016, the Basel Committee on Banking Supervision published its own standard for the regulatory capital treatment of securitisation exposures that includes the regulatory capital treatment for "simple, transparent and comparable" (STC) securitisations.

There can be no guarantee that the regulatory capital treatment of the Notes and the Residual Certificates for investors will not be affected by any future implementation of and changes to the CRD IV Package, Section 5, Solvency II, the Securitisation Regulation, the CRR Amending Regulation or other regulatory or accounting changes.

Financing of the risk retention piece

Any financing by the Seller of its retention, pursuant to the EU Retention Requirements, of the Class E Notes may require the grant of a security interest over such Notes and result in the financing counterparty having enforcement rights in case of an event of default, which may include the right to appropriate or sell the Class E Notes. In carrying out such appropriations or sale, the financing counterparty would not be required to have regard for the provisions of the EU Retention Requirements, and any such sale could cause the Seller to no longer be in compliance with such rules. In such an event, Notes held by other investors could be subject to an increased regulatory capital charge levied by a relevant regulator with jurisdiction over any such investor, and the price and liquidity of the Notes held by an investor in the secondary market could be negatively impacted.

U.S. Risk Retention

The U.S. Risk Retention Rules generally require the "sponsor" of a "securitization transaction" to retain at least 5% of the "credit risk" of "securitized assets", as such terms are defined for purposes of that statute, and generally prohibit a sponsor from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the sponsor is required to retain. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligations that they generally impose.

The transaction will not involve risk retention by the Seller for the purposes of the U.S. Risk Retention Rules, but rather will be made in reliance on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. To qualify for the exception, non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10% of the dollar value (or equivalent amount in the currency in which the securities are issued) of all classes of securities issued in the securitisation transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Prospectus as "**Risk Retention U.S. Persons**"); (3) neither the sponsor nor the issuer of the securitisation transaction is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25% of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

Except with the prior consent of the Seller and where such sale falls within the exemption provided by Section 20 of the U.S. Risk Retention Rules, the Notes and Residual Certificates may not be sold to, or for the account or benefit of, any Risk Retention U.S. Person. Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is similar to, but not identical to, the definition of "U.S. person" in Regulation S and that persons who are not "U.S. persons" under Regulation S may be "U.S. persons" under the U.S. Risk Retention Rules.

The definition of U.S. person in the U.S. Risk Retention Rules is excerpted below. Particular attention should be paid to clauses (b) and (h), which are different to comparable provisions from Regulation S. Under the U.S. Risk Retention Rules, and subject to limited exceptions, "U.S. person" means any of the following:

- (a) Any natural person resident in the United States;
- (b) Any partnership, corporation, limited liability company, or other organisation or entity organised or incorporated under the laws of any State or of the United States;¹
- (c) Any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);
- (d) Any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);
- (e) Any agency or branch of a foreign entity located in the United States;
- (f) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);
- (g) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
- (h) Any partnership, corporation, limited liability company, or other organisation or entity if:
 - (i) Organised or incorporated under the laws of any foreign jurisdiction; and

¹ The comparable provision from Regulation S is "(ii) any Partnership or corporation organised or incorporated under the laws of the United States".

- (ii) Formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act.²

There can be no assurance that the exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions will be available. Failure of the offering of the Notes and the Residual Certificates to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action which may adversely affect the Notes and the Residual Certificates. Furthermore, the impact of the U.S. Risk Retention Rules on the securitisation market generally is uncertain, and a failure by a transaction to comply with risk retention requirements of the U.S. Risk Retention Rules could negatively affect the market value and secondary market liquidity of the Notes and the Residual Certificates.

None of BMFL, the Arranger, the Joint Lead Managers or any of their respective affiliates makes any representation to any prospective investor or purchaser of the Notes and the Residual Certificates as to whether the transactions described in this Prospectus comply as a matter of fact with the U.S. Risk Retention Rules on the Closing Date or at any time in the future. Prospective investors should consult their own advisors as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Volcker Rule

Section 619 of the Dodd-Frank Act added a new section 13 to the Bank Holding Company Act of 1956, commonly referred to as the "Volcker Rule". The Volcker Rule and its related regulations generally prohibit "banking entities" broadly defined to include U.S. banks, bank holding companies and foreign banking organisations, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading in financial instruments, (ii) acquiring or retaining any "ownership interest" in, or in "sponsoring", a "covered fund" and (iii) entering into certain transactions with such funds subject to certain exemptions and exclusions.

An "ownership interest" is defined widely and may arise through a holder's exposure to the profits and losses of the "covered fund", as well as through certain rights of the holder to participate in the selection or removal of an investment advisor, investment manager, or general partner, trustee, or member of the board of directors of the "covered fund". A "covered fund" is defined widely, and includes any issuer which would be an investment company under the Investment Company Act but is exempt from registration solely in reliance on section 3(c)(1) or 3(c)(7) of the Investment Company Act, subject to certain exemptions found in the Volcker Rule's implementing regulations.

The Issuer is of the view that it is not a "covered fund" within the meaning of the Volcker Rule. If, however, the Issuer were deemed to be a "covered fund" and the Notes or the Residual Certificates were deemed to constitute an "ownership interest" in the Issuer, the Volcker Rule and its related regulatory provisions, will restrict the ability of "banking entities" to hold an "ownership interest" in the Issuer or enter into certain credit related financial transactions with the Issuer.

There is limited interpretive guidance regarding the Volcker Rule, and its implementing regulations. The Volcker Rule's prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes and the Residual Certificates. Each investor must determine for itself whether it is a "banking entity" subject to regulation under the Volcker Rule and should consult its own legal advisors and consider the potential impact of the Volcker Rule in respect of a prospective investment in the Notes and the Residual Certificates. None of the Issuer, the Arranger, the Joint Lead Managers or the Note Trustee makes any representation regarding (i) the status of the Issuer under the Volcker Rule or (ii) the ability of any purchaser to acquire or hold the Notes and the Residual Certificates, now or at any time in the future.

² The comparable provision from Regulation S "(vii)(B) formed by a U S person principally for the purpose of investing in securities not registered under the Securities Act) unless it is organised or incorporated, and owned, by accredited investors (as defined in 17 CFR 230.501(a)) who are not natural persons estates or trusts".

Eurosystem Eligibility

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. On the Closing Date, the Class A Notes will be issued under NSS. This means that the Class A Notes are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as Common Safekeeper and does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem (the "**Eurosystem eligible collateral**") either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria set out in the Guideline (EU) 2015/510 of the European Central Bank (the "**ECB**") of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) (recast) as amended from time to time (the "**ECB Guideline**"), which was published in the Official Journal of the European Union on 2 April 2015 and applies from 1 May 2015. The Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes and the Residual Certificates will not currently qualify for Eurosystem eligibility.

Neither the Issuer, the Arranger nor the Joint Lead Managers gives any representation, warranty, confirmation or guarantee to any investor in the Class A Notes that the Class A Notes will, either upon issue, or any or at all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem eligible collateral. Any prospective investor in the Class A Notes should consult its professional advisors with respect to whether or not the Class A Notes constitute Eurosystem eligible collateral at any point of time during the life of the Class A Notes.

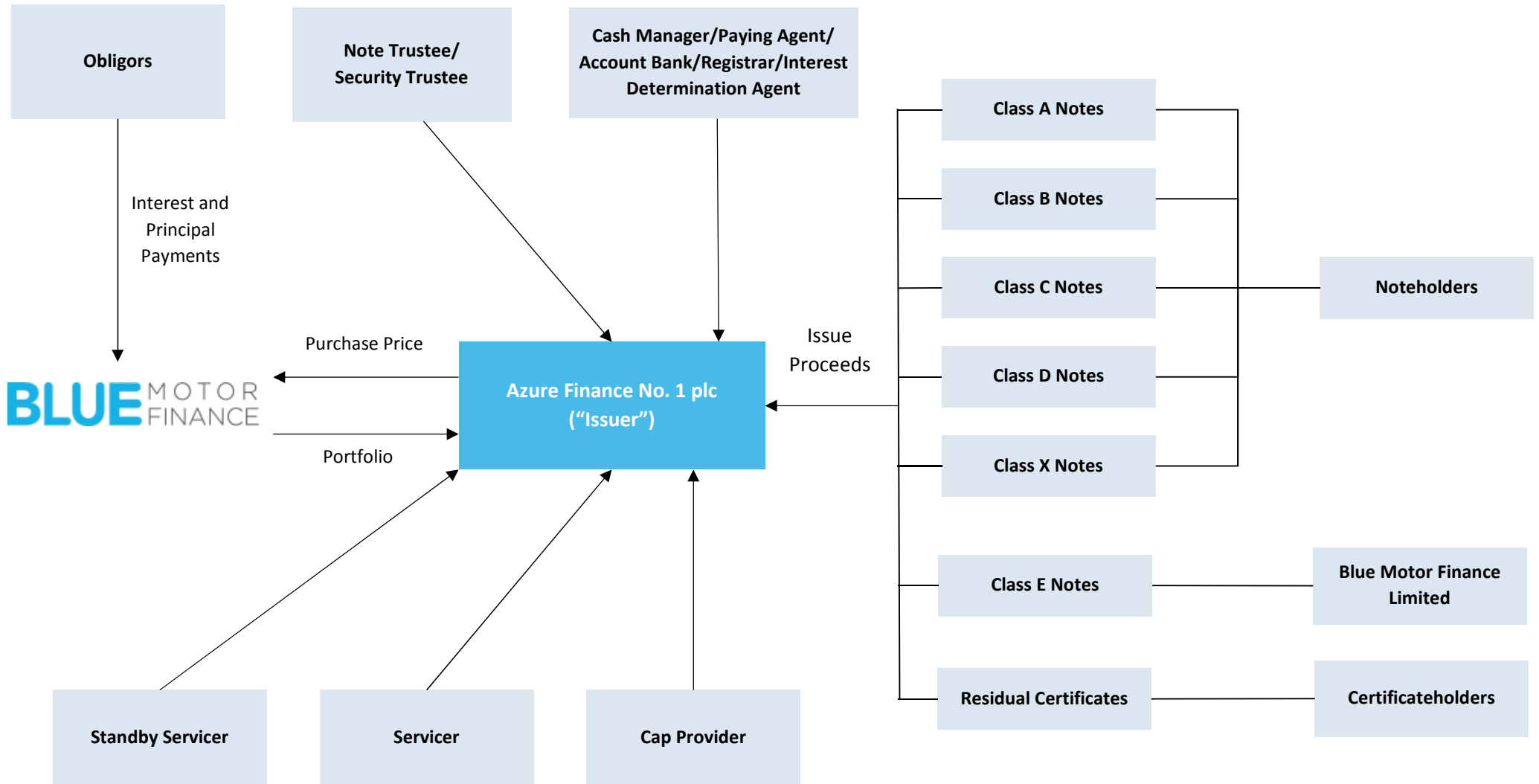
Bank of England Eligibility

Certain investors in the Class A Notes may wish to consider the use of the Class A Notes as eligible securities for the purposes of the Bank of England's and HM Treasury's Funding for Lending Scheme, Discount Window Facility or Indexed Long-Term Repo schemes. Recognition of the Class A Notes as eligible securities for the purposes of such schemes will depend upon satisfaction of the eligibility criteria as specified by the Bank of England. If the Class A Notes do not satisfy the criteria specified by the Bank of England, there is a risk that the Class A Notes will not be eligible collateral for such schemes. None of the Issuer, the Arranger nor the Joint Lead Managers gives any representation, warranty, confirmation or guarantee to any investor in the Notes or the Residual Certificates that the Notes or the Residual Certificates will, either upon issue, or at any or all times during their life, satisfy all or any requirements of such schemes and be recognised as eligible collateral for such schemes. Any potential investor in the Notes or the Residual Certificates should make its own determinations and seek its own advice with respect to whether or not the Notes and the Residual Certificates constitute eligible collateral for such schemes.

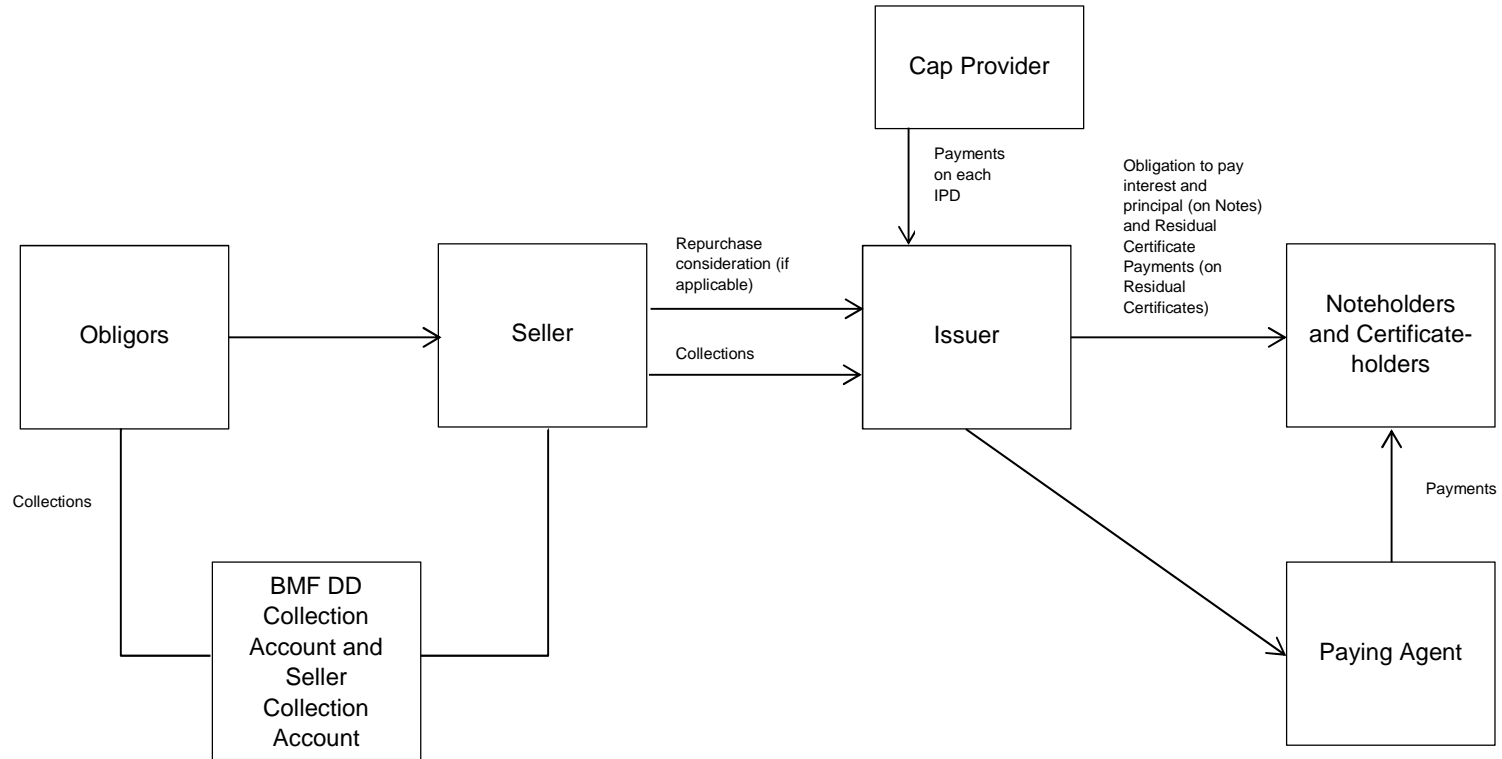
The Issuer believes that the risks described above are the principal risks for the Noteholders and the Certificateholders, but the inability of the Issuer to pay interest and principal on the Notes (or to make Residual Certificate Payments on the Residual Certificates) may occur for other reasons and the Issuer does not represent that the above statements regarding the risk of holding the Notes and the Residual Certificates are exhaustive.

DIAGRAMMATIC OVERVIEW

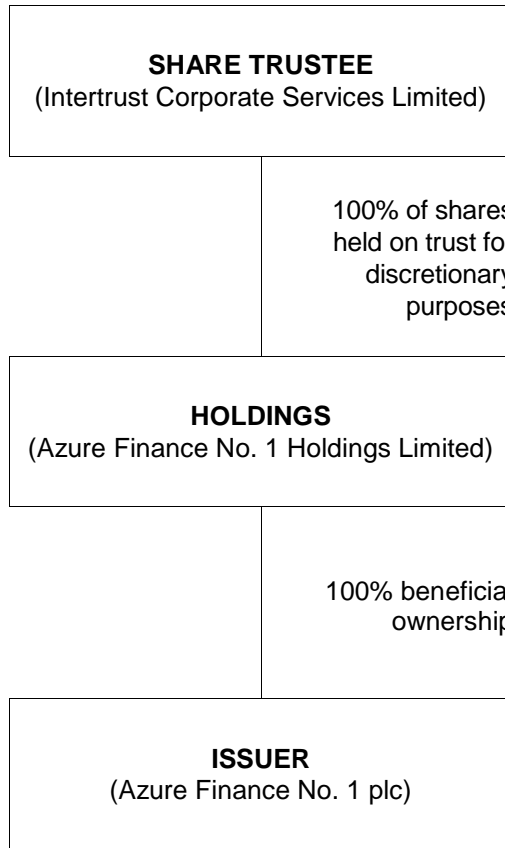
These structure diagrams of Transaction are qualified in its entirety by reference to the more detailed information appearing elsewhere in this Prospectus.



DIAGRAMMATIC OVERVIEW OF ON-GOING CASH FLOWS



DIAGRAMMATIC OVERVIEW OF THE OWNERSHIP OF THE ISSUER



TRANSACTION PARTIES ON THE CLOSING DATE

Party	Name	Address	Document under which appointed/Further Information
Issuer	Azure Finance No. 1 plc	35 Great St. Helen's, London EC3A 6AP	N/A
Holdings	Azure Finance No. 1 Holdings Limited	35 Great St. Helen's, London EC3A 6AP	N/A
Seller/Originator	Blue Motor Finance Limited	Darenth House 84 Main Road Sundridge Kent TN14 6ER United Kingdom	N/A
Servicer	Blue Motor Finance Limited	Darenth House 84 Main Road Sundridge Kent TN14 6ER United Kingdom	Servicing Agreement by the Issuer. See the section entitled "OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Servicing Agreement" for further information.
Cash Manager	Citibank, N.A., London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	Cash Management Agreement by the Issuer. See the section entitled "OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Cash Management Agreement" for further information.
Cap Provider	J.P. Morgan AG	J.P. Morgan AG Taunustor 1 60310 Frankfurt am Main Germany	Cap Agreement by the Issuer. See the section entitled "SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS – Cap Agreement" for further information.
Account Bank	Citibank, N.A., London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	Bank Account Agreement by the Issuer. See the section entitled "OVERVIEW OF THE PRINCIPAL

Party	Name	Address	Document under which appointed/Further Information
			<i>TRANSACTION DOCUMENTS – Bank Account Agreement" for further information.</i>
Note Trustee	Citicorp Trustee Company Limited	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	Trust Deed. See the section entitled "OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Trust Deed" for further information.
Security Trustee	Citicorp Trustee Company Limited	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	Deed of Charge. See the section entitled "OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Deed of Charge" for further information.
Paying Agent	Citibank, N.A., London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	Agency Agreement by the Issuer. See the section entitled "OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Agency Agreement" for further information.
Interest Determination Agent	Citibank, N.A., London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	Agency Agreement by the Issuer. See the section entitled "OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Agency Agreement" for further information.
Registrar	Citibank, N.A., London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	Agency Agreement by the Issuer. See the section entitled "OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Agency Agreement" for further information.

Party	Name	Address	Document under which appointed/Further Information
Corporate Services Provider	Intertrust Management Limited	35 Great St. Helen's, London EC3A 6AP	Corporate Services Agreement by the Issuer. See the section entitled "OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Corporate Services Agreement" for further information.
BMF DD Collection Account Holder	Blue Motor Finance DD Limited	35 Great St. Helen's, London EC3A 6AP, United Kingdom	BMF DD Collection Account Declaration of Trust. See the section entitled "OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Collection Account Declarations of Trust" for further information.
Standby Servicer	The Nostrum Group Ltd t/a Equiniti Credit Services	42-50 Hersham Road, Walton-On-Thames, Surrey, England, KT12 1RZ	Standby Servicer Agreement by the Issuer. See the section entitled "OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Standby Servicer Agreement" for further information.
Arranger	Citigroup Global Markets Limited	Citigroup Centre, Canada Square London E14 5LB, United Kingdom	Subscription Agreement. See the section entitled "SUBSCRIPTION AND SALE" for further information.
Joint Lead Manager	Citigroup Global Markets Limited	Citigroup Centre, Canada Square London E14 5LB, United Kingdom	Subscription Agreement. See the section entitled "SUBSCRIPTION AND SALE" for further information.
Joint Lead Manager	Deutsche Bank AG, London Branch	Winchester House, 1 Great Winchester Street London EC2N 2DB United Kingdom	Subscription Agreement. See the section entitled "SUBSCRIPTION AND SALE" for further information.

Party	Name	Address	<i>Document under which appointed/Further Information</i>
			further information.
Irish Listing Agent	Arthur Cox Listing Services Limited	Ten Earlsfort Terrace Dublin 2 D02 T380 Ireland	N/A
Clearing Systems	Clearstream, Luxembourg and Euroclear		N/A
Rating Agencies	Moody's and S&P		N/A

PORTFOLIO AND SERVICING

Please refer to the sections entitled "DESCRIPTION OF THE PORTFOLIO", "OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Receivables Sale and Purchase Agreement" and "OVERVIEW OF THE TRANSACTION DOCUMENTS – Servicing Agreement" for further information.

Sale of Portfolio

The Portfolio will consist of the Receivables and the Ancillary Rights which will be sold to the Issuer on the Closing Date.

The Portfolio will consist of each payment due from an Obligor under an HP Agreement (but excluding any Excluded Amounts) at any time on and from the Cut-Off Date together with the Ancillary Rights relating to such Purchased Receivables, each of which will be sold to the Issuer on the Closing Date.

None of the assets backing the Notes and the Residual Certificates is itself an asset-backed security and the transaction is also not a "synthetic" securitisation in which risk transfer would be achieved through the use of credit derivatives or other similar financial instruments.

The HP Agreements are directed at retail customers that are resident in England and Wales or Scotland and each HP Agreement is governed by English law.

Since origination certain of the Receivables in the Portfolio have been held in a special purpose vehicle used for warehousing purposes by the Seller or a special purpose vehicle used by a third party for the purchase of receivables.

No HP Agreements in the Portfolio are PCP Contracts.

The sale of the Portfolio to the Issuer will also be subject to certain conditions as at the Closing Date. The conditions include that:

- (a) the Issuer pays the Purchase Price; and
- (b) the Sale Notice attaching the Receivables Listing certified by an authorised signatory of the Seller to be true and accurate in all material respects is delivered from the Seller to the Issuer, the Note Trustee and the Cash Manager.

The assignment by the Seller of the Purchased Receivables will take effect in equity because no notice of the assignment will be given to Obligors unless a Perfection Event shall have occurred.

Features of Purchased Receivables

The following is a summary of certain features of the Purchased Receivables comprised within the Portfolio as at the Cut-Off Date. Investors should refer to, and carefully consider, the further details in respect of the Purchased Receivables set out in "PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA".

Summary of Portfolio (as of the Cut-Off Date)

Number of Underlying Agreements	46,643
Total Current Outstanding Balance (£)	365,000,010
Average Current Outstanding Principal Balance (£)	7,825
Minimum Current Outstanding Principal Balance (£)	100
Maximum Current Outstanding Principal Balance (£)	63,338
Weighted Average Amortising Interest Rate (%)	14.81%
Weighted Average APR (%)	15.84%

Minimum Original Term (months)	12
Maximum Original Term (months)	85
Weighted Average Original Term (months)	58
Weighted Average Remaining Term (months)	49

Purchase Price

The purchase price payable by the Issuer to the Seller in consideration of the Purchased Receivables comprised in the Portfolio will be equal to the aggregate of (1) the Principal Element Purchase Price and (2) the Premium Element Purchase Price. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS — Receivables Sale and Purchase Agreement*" for more information.

Representations and Warranties

The Seller will make certain representations and warranties (the "**Seller Receivables Warranties**") regarding the Purchased Receivables and the related HP Agreements (including, among other things, that all Purchased Receivables (including, where relevant their Ancillary Rights) comply with the Eligibility Criteria on the Cut-Off Date) to the Issuer and the Security Trustee on the Closing Date (and, for so long as the Seller is the Servicer, on each date on which a Permitted Variation is agreed by the Servicer) with reference to the facts and circumstances subsisting (unless stated to the contrary in the Receivables Sale and Purchase Agreement) as at the Cut-Off Date or, in respect of a Permitted Variation, as at the date of that Permitted Variation (provided that a narrower set of such representations and warranties will be given where any such Permitted Variation is required by law or regulation).

Eligible Receivables

For a receivable to be an Eligible Receivable, a number of criteria apply, including that such Purchased Receivable constitutes the legal, valid, binding and enforceable obligation of the Obligor in respect thereof, subject to any laws or other procedures from time to time in effect relating to bankruptcy, insolvency or liquidation of the Obligor affecting the enforcement of creditors' rights and the effect of principles of equity, if applicable.

See the section entitled "*OVERVIEW OF THE TRANSACTION DOCUMENTS – Receivables Sale and Purchase Agreement – Representations and warranties given by the Seller*" for further information.

Repurchase of the Purchased Receivables

To the extent that a Seller Receivables Warranty given by the Seller in respect of a Purchased Receivable proves to have been incorrect on the date on which such Seller Receivables Warranty was made (other than by reason of a related HP Agreement being determined illegal, invalid, non-binding or unenforceable under the CCA or the FSMA) and, if applicable, the relevant breach cannot be remedied, or if the relevant Purchased Receivable never existed or has ceased to exist such that it is not outstanding as at the Repurchase Date (each such affected Receivable being a "**Non-Compliant Receivable**"):

- (a) the Seller will be required to repurchase such Purchased Receivable for an amount equal to the sum of (i) its Receivable Deemed Initial Purchase Price, less (ii) the sum of all Principal Receipts and Revenue Receipts recovered or received by the Issuer in respect of such Non-Compliant Receivable from the Cut-Off Date to the Repurchase Date, plus (iii) any accrued and unpaid income in respect thereof as at the Repurchase Date (the "**Non-Compliant Receivable Repurchase Price**"), or

- (b) in the case of a Purchased Receivable which never existed, or has ceased to exist, such that it is not outstanding as at the Repurchase Date, the Seller will not be required to repurchase such Purchased Receivable and will instead be required to pay to the Issuer an amount equal to the sum of: (i) the Receivable Deemed Initial Purchase Price of that Purchased Receivable, minus (ii) the sum of all Principal Receipts and Revenue Receipts recovered or received in respect of such Purchased Receivable from the Cut-Off Date to the date on which the Receivables Indemnity Amount is paid, plus (iii) a deemed amount of accrued income on the relevant Purchased Receivable calculated on the basis of the APR stated in the loan level data for such Purchased Receivable and determined as at the date on which the Receivables Indemnity Payment is made (the "**Receivables Indemnity Amount**").

Where Purchased Receivables are determined to be in breach of the Seller Receivables Warranties by reason of a related HP Agreement (or part thereof) being determined illegal, invalid, non-binding or unenforceable under the CCA or the FSMA, the Seller may in lieu of repurchasing the relevant Purchased Receivables pay a compensation payment to the Issuer, being an amount, calculated by the Servicer in accordance with the Servicing Agreement, required to compensate the Issuer for any loss caused as a result of such breach (the "**CCA Compensation Amount**") and the payment of such amount cures such illegality, invalidity or unenforceability or the Purchased Receivables being non-binding.

**Defaulted Receivables
Call Option**

The Seller is entitled to repurchase any Purchased Receivable which has become a Defaulted Receivable following disposal of the Vehicle related to such Receivable and receipt by the Issuer of the related Vehicle Sale Proceeds. The price payable for such Defaulted Receivable shall be equal to the Defaulted Receivables Payment.

**Non-Permitted Variation
Receivables Call Option**

The Seller is entitled to repurchase any Purchased Receivable in respect of which the Servicer has agreed or, prior to the end of the immediately following Calculation Period, will agree to a Non-Permitted Variation (a "**Non-Permitted Variation Receivable**"). The Seller agrees under the Servicing Agreement that where the Servicer agrees to a Non-Permitted Variation it shall exercise the Non-Permitted Variation Receivables Call Option in respect of the relevant Purchased Receivable by no later than the Non-Permitted Variation Receivable Repurchase End Date. The price payable for such Non-Permitted Receivable shall be equal to the Non-Permitted Variation Receivable Repurchase Price.

Clean-Up Call

The Seller is entitled to repurchase all of the Purchased Receivables on any Interest Payment Date following the Determination Date on which the Aggregate Outstanding Principal Balance of all Purchased Receivables is equal to or less than 10% of the Aggregate Outstanding Principal Balance of all Purchased Receivables as at the Cut-Off Date. The price payable for such Purchased Receivables shall be equal to the Final Repurchase Price.

**Tax Redemption
Receivables Call Option**

The Seller is entitled to repurchase all of the Purchased Receivables on any date fixed by the Issuer for redemption of the Notes pursuant to Condition 5(b) (*Redemption for taxation reasons*). The price payable for such Purchased Receivables shall be equal to the Tax Redemption Repurchase Price.

Delegation by Servicer

The Servicer may delegate some of its servicing functions to a third

party provided that the Servicer remains responsible for the performance of any functions so delegated and subject to certain conditions – see the section of this Prospectus entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Servicing Agreement*".

OVERVIEW OF THE CONDITIONS OF THE NOTES AND THE RESIDUAL CERTIFICATES

Please refer to section entitled "CONDITIONS OF THE NOTES" for further detail in respect of the terms of the Notes.

FULL CAPITAL STRUCTURE OF THE NOTES AND THE RESIDUAL CERTIFICATES

	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class X Notes	Class E Notes	Residual Certificates
Currency	GBP	GBP	GBP	GBP	GBP	GBP	GBP
Initial Outstanding Note Principal Amount	242,700,000	69,300,000	23,700,000	11,000,000	40,200,000	18,300,000	N/A
Rating Agencies	Moody's and S&P	Moody's and S&P	Moody's and S&P	Moody's and S&P	Moody's and S&P	Moody's and S&P	N/A
Anticipated ratings	Aaa(sf) by Moody's AA (sf) by S&P	Aa2(sf) by Moody's A-(sf) by S&P	Baa1(sf) by Moody's BBB(sf) by S&P	Ba1(sf) by Moody's BB+(sf) by S&P	Caa1(sf) by Moody's NR by S&P	B1(sf) by Moody's NR by S&P	N/A
Credit Enhancement	Overcollateralisation funded by the other Collateralised Notes, any excess spread applied through the Principal Deficiency Ledger including from the Reserve Fund (i) as applicable from the Reserve Fund	Overcollateralisation funded by the other Collateralised Notes (except the Class A Notes), any excess spread applied through the Principal Deficiency Ledger (excluding the Principal Deficiency Sub-ledger (Class A)) including from the	Overcollateralisation funded by the other Collateralised Notes (except the Class A Notes and the Class B Notes), any excess spread applied through the Principal Deficiency Ledger (excluding the Principal Deficiency Sub-ledger (Class A))	Overcollateralisation funded by the other Collateralised Notes (except the Class A Notes, the Class B Notes and the Class C Notes), any excess spread applied through the Principal Deficiency Ledger (excluding the Principal Deficiency Sub-	Any excess spread and, following service of a Note Acceleration Notice, subordination of the Class E Notes and the Reserve Fund	Any excess spread applied through the Principal Deficiency Ledger (excluding the Principal Deficiency Sub-ledger (Class A), Principal Deficiency	N/A

Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class X Notes	Class E Notes	Residual Certificates
<p>Excess Amount made available in the Available Revenue Receipts, (ii) on the Final Class A Interest Payment Date, the Legal Maturity Date and the date on which the Aggregate Outstanding Principal Balance is zero (but on the Final Class A Interest Payment Date only up to the balance on the Reserve Fund Ledger (Class A)) and (iii) following service of a Note Acceleration Notice</p>	<p>Reserve Fund (i) as applicable from the Reserve Fund Excess Amount made available in the Available Revenue Receipts, (ii) on the Final Class B Interest Payment Date, the Legal Maturity Date and the date on which the Aggregate Outstanding Principal Balance is zero (but on the Final Class B Interest Payment Date only up to the balance on the Reserve Fund Ledger (Class B)) and (iii) following service of a Note Acceleration Notice</p>	<p>and Principal Deficiency Sub-ledger (Class B)) including from the Reserve Fund (i) as applicable from the Reserve Fund Excess Amount made available in the Available Revenue Receipts, (ii) on the Final Class C Interest Payment Date, the Legal Maturity Date and the date on which the Aggregate Outstanding Principal Balance is zero (but on the Final Class C Interest Payment Date only up to the balance on the Reserve Fund Ledger (Class C)) and (iii) following service of a Note Acceleration Notice</p>	<p>ledger (Class A), Principal Deficiency Sub-ledger (Class B) and Principal Deficiency Sub-ledger (Class C)) including from the Reserve Fund (i) as applicable from the Reserve Fund Excess Amount made available in the Available Revenue Receipts, (ii) on the Final Class D Interest Payment Date, the Legal Maturity Date and the date on which the Aggregate Outstanding Principal Balance is zero (but on the Final Class D Interest Payment Date only up to the balance on the Reserve Fund Ledger (Class D)) and (iii) following service of a Note Acceleration Notice</p>		<p>Sub-ledger (Class B), Principal Deficiency Sub-ledger (Class C) and Principal Deficiency Sub-ledger (Class D)) including from the Reserve Fund (i) as applicable from the Reserve Fund Excess Amount made available in the Available Revenue Receipts, (ii) on the Final Class E Interest Payment Date, the Legal Maturity Date and the date on which the Aggregate Outstanding Principal Balance is zero (but on the Final Class E Interest</p>	

	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class X Notes	Class E Notes	Residual Certificates
						Payment Date only up to the balance on the Reserve Fund Ledger (Class E)) and (iii) following service of a Note Acceleration Notice	
Liquidity Support	Subordination in payment of interest on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, interest and principal on the Class X Notes, amounts payable on the Residual Certificates, the availability of amounts credited to the Reserve Fund (Class A)	Subordination in payment of interest on the Class C Notes, the Class D Notes, the Class E Notes, interest and principal on the Class X Notes and amounts payable on the Residual Certificates, the availability of amounts credited to the Reserve Fund (Class B)	Subordination in payment of interest on the Class D Notes, the Class E Notes, interest and principal on the Class X Notes and amounts payable on the Residual Certificates and the availability of amounts credited to the Reserve Fund (Class C)	Subordination in payment of interest on the Class E Notes, interest and principal on the Class X Notes and amounts payable on the Residual Certificates and the availability of amounts credited to the Reserve Fund (Class D)	Subordination in payments on the Residual Certificates	Subordination in payment of interest and principal on the Class X Notes and amounts payable on the Residual Certificates and the availability of amounts credited to the Reserve Fund (Class E)	N/A
Issue Price	100%	100%	100%	100%	100%	100%	N/A
Interest Rate	1 Month Sterling LIBOR + Relevant Margin the sum being subject to a	1 Month Sterling LIBOR + Relevant Margin the sum being subject to a	1 Month Sterling LIBOR + Relevant Margin the sum being subject to a	1 Month Sterling LIBOR + Relevant Margin the sum being subject to a	1 Month Sterling LIBOR + Relevant Margin the sum	6.00%	N/A

	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class X Notes	Class E Notes	Residual Certificates
	floor of zero	floor of zero	floor of zero	floor of zero	being subject to a floor of zero		
Relevant Margin	0.80%	1.55%	2.15%	3.00%	3.50%	N/A	N/A
Interest Accrual Method	Actual/365	Actual/365	Actual/365	Actual/365	Actual/365	Actual/365	N/A
Interest Determination Date	In respect of the first Interest Period, the Closing Date and in respect of each subsequent Interest Period, the Interest Payment Date on which the Interest Period commences.						N/A
Interest Payment Dates	Interest will be payable monthly in arrear on the Interest Payment Date falling on the 20th day of each month, subject to the Business Day Convention.						
Business Day Convention	Modified following	Modified following	Modified following	Modified following	Modified following	Modified following	Modified following
First Interest Payment Date	20 August 2018	20 August 2018	20 August 2018	20 August 2018	20 August 2018	20 August 2018	20 August 2018
First Interest Period	The period commencing on (and including) the Closing Date and ending on (but excluding) the first Interest Payment Date falling in August 2018.						N/A
Pre-Acceleration Principal Priority of Payments	Sequential pass through redemption in accordance with the Pre-Acceleration Principal Priority of Payments. Please refer to Condition 2 (<i>Status and Security</i>).				N/A. Class X Notes are redeemed by sequential pass through redemption in accordance with the Pre-Acceleration Revenue Priority of Payments only. Please refer to	Sequential pass through redemption in accordance with the Pre-Acceleration Principal Priority of Payments. Please refer to Condition 2 (<i>Status and Security</i>)	N/A

	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class X Notes	Class E Notes	Residual Certificates
					Condition 2 (<i>Status and Security</i>)		
Post-Acceleration Priority of Payments	Sequential pass through redemption in accordance with the Post-Acceleration Priority of Payments. Please refer to Condition 2 (<i>Status and Security</i>) and Residual Certificate Condition 2 (<i>Status and Security</i>).						Entitlement to all remaining amounts (after satisfaction of items (a) to (i)). Please refer to Residual Certificate Condition 2 (<i>Status and Security</i>).
Clean-Up Call	On any Interest Payment Date following the Determination Date on which the Aggregate Outstanding Principal Balance is equal to or less than 10% of the Aggregate Outstanding Principal Balance as at the Cut-Off Date (<i>see Condition 5(d) Clean-Up Call</i>)						N/A
Other Early Redemption in full Events	Tax Event (<i>see Condition 5(b) (Redemption for taxation reasons)</i>)						N/A
Final Redemption Date	Legal Maturity Date	Legal Maturity Date	Legal Maturity Date	Legal Maturity Date	Legal Maturity Date	Legal Maturity Date	N/A
Form	Registered	Registered	Registered	Registered	Registered	Registered	Registered
Application for Listing	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	N/A
ISIN	XS1843115855	XS1843116150	XS1843116234	XS1843116408	XS1843116747	XS1843116820	XS1844096401

	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class X Notes	Class E Notes	Residual Certificates
Common Code	184311585	184311615	184311623	184311640	184311674	184311682	184409640
Clearance/Settlement	Clearstream, Luxembourg and Euroclear	Clearstream, Luxembourg and Euroclear	Clearstream, Luxembourg and Euroclear	Clearstream, Luxembourg and Euroclear	Clearstream, Luxembourg and Euroclear	Clearstream, Luxembourg and Euroclear	Clearstream, Luxembourg and Euroclear
	The Class A Notes will be issued under the NSS	The Class B Global Notes will be held by a Common Depository for Clearstream, Luxembourg and Euroclear	The Class C Global Notes will be held by a Common Depository for Clearstream, Luxembourg and Euroclear	The Class D Global Notes will be held by a Common Depository for Clearstream, Luxembourg and Euroclear	The Class X Global Notes will be held by a Common Depository for Clearstream, Luxembourg and Euroclear	The Class E Global Notes will be held by a Common Depository for Clearstream, Luxembourg and Euroclear	The Global Residual Certificate will be held by a Common Depository for Clearstream, Luxembourg and Euroclear
Minimum Denomination	£100,000	£100,000	£100,000	£100,000	£100,000	£100,000	N/A
Retained Amount	N/A	N/A	N/A	N/A	N/A	100% purchased by BMFL	N/A

Ranking

The Notes within each Class will rank *pari passu* and rateably without any preference or priority among themselves as to payments of interest and principal at all times.

Payments of principal on the Class A Notes will at all times rank in priority to payments of principal on the Class B Notes, payments of principal on the Class B Notes will at all times rank in priority to payments of principal on the Class C Notes, payments of principal on the Class C Notes will at all times rank in priority to payments of principal on the Class D Notes, payments of principal on the Class D Notes will at all times rank in priority to payments of principal on the Class E Notes, payment of principal on the Class E Notes will (due to the operation of the Principal Deficiency Ledger), prior to service of a Note Acceleration Notice, rank in priority to payments of interest and principal on the Class X Notes using Available Revenue Receipts, and payments of principal on the Class X Notes using Available Revenue Receipts will at all times rank in priority to payments on the Residual Certificates, in each case in accordance with the applicable Priority of Payment.

Payments of interest on the Class A Notes will at all times rank in priority to payments of interest on the Class B Notes, payments of interest on the Class B Notes will at all times rank in priority to payments of interest on the Class C Notes, payments of interest on the Class C Notes will at all times rank in priority to payments of interest on the Class D Notes, payments of interest on the Class D Notes will at all times rank in priority to payments of interest on the Class E Notes, payments of interest on the Class E Notes will prior to service of a Note Acceleration Notice rank in priority to payments of interest (and principal) on the Class X Notes, payments of interest on the Class X Notes will at all times rank in priority to payments on the Residual Certificates, in each case in accordance with the applicable Priority of Payment.

The Residual Certificates are subordinate to all payments due in respect of the Notes.

Payments on Class X Notes and Residual Certificates

Prior to the delivery of a Note Acceleration Notice, payments of interest and principal on the Class X Notes shall only be made from Available Revenue Receipts.

Prior to the delivery of a Note Acceleration Notice, payments on the Residual Certificates shall only be made from Available Revenue Receipts.

Prior to, and following, the delivery of a Note Acceleration Notice, the Residual Certificates shall only represent an entitlement to any amounts of excess spread available after satisfaction by the Issuer of all other amounts payable on an Interest Payment Date in accordance with the applicable Payments Priorities.

Security

The Notes and the Residual Certificates are secured and will share the Security with the other Secured Obligations of the Issuer as set out in the Deed of Charge.

Some of the other Secured Obligations rank senior to the Issuer's obligations under the Notes and the Residual Certificates in respect of the allocation of proceeds as set out in the Post-Acceleration Priority of Payments.

Use of proceeds of the Collateralised Notes	The proceeds of issue of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes (the " Collateralised Notes ") will be used by the Issuer to fund the Principal Element Purchase Price.
Use of proceeds of the Class X Notes and Residual Certificates	<p>The proceeds of issue of the X Notes and the Residual Certificates will be used by the Issuer to:</p> <ul style="list-style-type: none">(a) fund the Premium Element Purchase Price;(b) establish the Reserve Fund through the retention of the Reserve Fund Required Amount (in respect of part of the proceeds of the Class X Notes); and(c) retain certain amounts and pay certain estimated fees and expenses of the Issuer (including the Cap Premium payable under the Cap Agreement) incurred in connection with the issue of the Notes and the Residual Certificates on the Closing Date (in respect of part of the proceeds of the Class X Notes and the Residual Certificates).
Interest Provisions	Please refer to " <i>Full Capital Structure of the Notes</i> " as set out above and Condition 4 (<i>Interest</i>) for the relevant interest provisions.
Interest Deferral	Interest due and payable on the Most Senior Class of Notes will not be deferred. Interest due and payable on the Notes (other than interest due in respect of the Most Senior Class of Notes) may be deferred in accordance with Condition 6 (<i>Additional interest and subordination</i>) on any Interest Payment Date (other than the final Interest Payment Date or any earlier redemption of such Class of Notes in full). For the avoidance of doubt, such deferral shall not result in the occurrence of an Event of Default.
Gross-up	None of the Issuer or any Agent will be obliged to gross-up if there is any withholding or deduction in respect of the Notes or the Residual Certificates on account of taxes.
Redemption	<p>The Notes are subject to the following optional or mandatory redemption events:</p> <ul style="list-style-type: none">• mandatory redemption in whole on the Legal Maturity Date, as fully set out in Condition 5(a) (<i>Final redemption</i>);• mandatory early redemption in part on each Interest Payment Date commencing on the first Interest Payment Date subject to availability of Available Principal Receipts in accordance with the applicable Priority of Payments, as fully set out in Condition 5(c) (<i>Mandatory early redemption in part</i>);• optional redemption exercisable by the Issuer in whole for tax reasons as fully set out in Condition 5(b) (<i>Redemption for taxation reasons</i>); and• mandatory redemption in whole on any Interest Payment Date if the Seller exercises its Clean-Up Call, as fully set out in Condition 5(d) (<i>Clean-Up Call</i>).

Any Note redeemed pursuant to the above redemption provisions will be redeemed at an amount equal to the Aggregate Outstanding Note Principal Amount of the relevant Note together with accrued (and unpaid) interest on the Aggregate Outstanding Note Principal Amount up to (but excluding) the date of redemption.

Event of Default

As fully set out in Condition 10 (*Events of Default*) and the Residual Certificate Condition 8 (*Events of Default*), which comprises (where relevant, subject to the applicable grace period):

- an Insolvency Event occurs in respect of the Issuer;
- a default occurs in the payment of interest on any Interest Payment Date in respect of the Most Senior Class of Notes or, following redemption in full of the Notes, any Residual Certificate Payment due in respect of the Residual Certificates (and such default is not remedied within 14 Business Days of its occurrence);
- the Issuer defaults in the payment of principal on the Most Senior Class of Notes when due, and such default continues for a period of 7 Business Days;
- the Issuer fails to perform or observe any of its other material obligations under the Conditions, the Residual Certificates or the Transaction Documents and such failure continues for a period of 30 calendar days following written notice from the Note Trustee or any other Secured Creditors; or
- the Deed of Charge (or any security interest purported to be created thereunder) shall, for any reason, cease to be in full force and effect or be declared to be null and void, or the validity or enforceability thereof shall be contested by the Issuer or the Issuer shall deny that it has any or further liability or obligation under the Deed of Charge (or with respect thereto).

Enforcement

If an Event of Default has occurred and is continuing, the Note Trustee at its absolute discretion may, and, if so directed by the (i) holders of at least 25% in aggregate Outstanding Note Principal Amount of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes at the relevant date; or (ii) following redemption in full of the Notes, holders of at least 25% in number of the Residual Certificates then in issue or if so directed by an Extraordinary Resolution of the Certificateholders (subject, in each case, to the Note Trustee being indemnified and/or secured and/or prefunded to its satisfaction), will give a Note Acceleration Notice to the Issuer, the Security Trustee, the Account Bank, the Cash Manager and the Paying Agent declaring the Notes and any Residual Certificate Payments pursuant to the Residual Certificates due and payable and each Note will accordingly become immediately due and payable, without further action or formality, at its Outstanding Note Principal Amount together with accrued interest (in the case of the Notes).

Upon any Note Acceleration Notice being given by the Note Trustee in accordance with the terms of this Condition 10 (*Events of Default*) or Residual Certificate Condition 8 (*Events of Default*), notice to that effect will be given by the Note Trustee to all Noteholders in accordance with Condition 15 (*Notices*) or to all Certificateholders in accordance with Residual Certificate Condition 13 (*Notices*).

Following the delivery of a Note Acceleration Notice the Security Trustee will, subject to being indemnified and/or secured and/or prefunded to its satisfaction, have the right to enforce the Security.

Limited Recourse

The Notes are limited recourse obligations of the Issuer, and, if not repaid in full, amounts outstanding are subject to a final write-off,

which is described in more detail in Condition 7(g) (*Limited recourse*).

The Certificateholders are only entitled to funds which are available to the Issuer in accordance with the applicable Priority of Payments and therefore the Residual Certificates are limited recourse obligations of the Issuer.

Non petition

The Noteholders and the Certificateholders shall not be entitled to take any steps (otherwise than in accordance with the Trust Deed, the Conditions and the Residual Certificate Conditions):

- to enforce the Security other than when expressly permitted to do so under Condition 11 (*Enforcement and non-petition*) or Residual Certificate Condition 9 (*Enforcement and non-petition*); or
- to take or join in any steps against the Issuer to obtain payment of any amount due from the Issuer to it; or
- until the date falling one year and one day after the Final Redemption Date, to initiate or join in initiating any Insolvency Proceedings in relation to the Issuer; or
- to take any steps which would result in any of the Priorities of Payments not being observed.

Governing Law

English law.

RIGHTS OF NOTEHOLDERS, CERTIFICATEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS

Please refer to sections entitled "DESCRIPTION OF THE NOTES" and "CONDITIONS OF THE NOTES" for further detail in respect of the rights of Noteholders, conditions for exercising such rights and relationship with other Secured Creditors.

Prior to an Event of Default

Prior to the occurrence of an Event of Default, the Issuer or the Note Trustee may (at the cost of the Issuer) at any time, and Noteholders holding at least 10% of the Outstanding Note Principal Amount of the relevant Class may, upon request in writing to the Issuer, convene a Noteholders' meeting for any purpose, including consideration of Extraordinary Resolutions and Ordinary Resolutions.

Prior to the occurrence of an Event of Default, the Issuer or the Note Trustee may (at the cost of the Issuer) at any time, and Certificateholders holding at least 10% in number of the Residual Certificates then in issue may, upon request in writing to the Issuer, convene a Certificateholders' meeting for any purpose, including consideration of Extraordinary Resolutions and Ordinary Resolutions.

However, the Noteholders and the Certificateholders are not entitled to instruct or direct the Issuer to take any action, either directly or through the Note Trustee, without the consent of the Issuer and, if applicable, certain other Transaction Parties, unless the Issuer has an obligation to take such action under the relevant Transaction Documents.

Following an Event of Default

Following the occurrence of an Event of Default, Noteholders may, if they hold at least 25% in aggregate Outstanding Note Principal Amount of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes; or following redemption in full of the Notes, the Certificateholders may, if they hold at least 25% in number of the Residual Certificates then in issue or if so directed by an Extraordinary Resolution of the Certificateholders (subject, in each case, to the Note Trustee being indemnified and/or secured and/or prefunded to its satisfaction), direct the Note Trustee to give a Note Acceleration Notice to the Issuer, the Security Trustee, the Account Bank, the Cash Manager and the Paying Agent notifying the Issuer that all classes of the Notes are immediately due and repayable at their respective Outstanding Note Principal Amount together with accrued interest (or, in the case of the Residual Certificates, that all Residual Certificate Payment Amounts are immediately due and payable). The Note Trustee may without the consent of the Noteholders, if it is of the opinion that such determination will not be materially prejudicial to the interests of the Noteholders, determine that an Event of Default or Potential Event of Default shall not, or shall not subject to specified conditions, be treated as such, provided that the Note Trustee shall not exercise any powers conferred on it by this clause in contravention of any express direction given by an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes or by a direction under Condition 10 (*Events of Default*).

See section entitled "CONDITIONS OF THE NOTES" for more information.

Noteholders and Certificateholders Meeting provisions

	<i>Initial meeting</i>	<i>Adjourned meeting</i>
Notice period:	At least 21 clear days for the initial meeting	At least 10 clear days for the adjourned meeting

(and no more than 42 clear days in the case of an initial adjournment of a meeting at which an Extraordinary Resolution is to be proposed).

Quorum: At least 20% of the Outstanding Note Principal Amount of the relevant Class of Notes then outstanding (or, in the case of the Residual Certificates, 20% in number of the Residual Certificates then in issue) for all Ordinary Resolutions; at least 50% of the Outstanding Note Principal Amount of the relevant Class of Notes (or in the case of the Residual Certificates, 50% in number of the Residual Certificates then in issue) for the initial meeting to pass an Extraordinary Resolution (other than a Basic Terms Modification, which requires at least 66 $\frac{2}{3}$ % of the Outstanding Note Principal Amount of the relevant Class of Notes, or in the case of the Residual Certificates, 66 $\frac{2}{3}$ % in number of the Residual Certificates then in issue).

Required majority: More than 50% of votes cast for matters requiring Ordinary Resolution and at least 75% of votes cast for matters requiring Extraordinary Resolution.

Written Resolution: At least 75% of the Outstanding Note Principal Amount of the relevant Class of Notes then outstanding or in the case of the Residual Certificates, at least 75% in number of the Residual Certificates then in issue. A Written

Resolution has the same effect as an Extraordinary Resolution

Matters requiring Extraordinary Resolution

Broadly speaking, the following matters require an Extraordinary Resolution:

- to approve any Basic Terms Modification;
- to sanction any compromise or arrangement between the Issuer and any other party to any Transaction Document, the Noteholders or the Certificateholders;
- to sanction any modification or compromise in respect of the rights of the Issuer or any other party to any Transaction Document against any other party to a Transaction Document;
- to assent to any modification of any Transaction Document (except where the Conditions and the Residual Certificate Conditions provide that the consent of the Noteholders and the Certificateholders is not required);
- to give any authority or sanction which under the Transaction Documents is required to be given by Extraordinary Resolution;
- to appoint any persons as a committee or committees to represent the interests of the Noteholders or Certificateholders and to confer upon them any powers or discretions which they could themselves exercise by Extraordinary Resolution;
- to approve of a person to be appointed a trustee and to remove or any trustee of the Trust Deed and/or the Deed of Charge;
- to discharge or exonerate the Note Trustee and/or the Security Trustee from all Liability in respect of any act or omission for which it may be responsible;
- to authorise the Note Trustee and/or the Security Trustee to concur in and do all such things as may be necessary to give effect to any Extraordinary Resolution;
- to sanction any scheme or proposal for the exchange or sale of the Notes or the Residual Certificates for or the conversion of the Notes or the Residual Certificates into or the cancellation of the Notes or the Residual Certificates in consideration of shares, stock, notes, bonds, debentures or debenture stock; and
- to approve the substitution of any entity for the Issuer as principal debtor under the Trust Deed and the Notes (other than where the Conditions or the Transaction Documents provide that this may be done without the consent of the Noteholders and the Certificateholders).

Right of modification without Noteholder consent

Pursuant to and in accordance with the detailed provisions of Condition 12 (*Meetings of Noteholders, amendments, waiver, substitution and exchange*) and Residual Certificate Condition 10 (*Meetings of Certificateholders and Noteholders, amendments, waiver, substitution and exchange*), the Note Trustee shall be obliged, without any consent or sanction of the Noteholders, the Certificateholders or the other Secured Creditors but subject to the receipt of written consent from each of the Secured Creditors party to the Transaction Document being modified, to concur with the Issuer in making any modification (other than a Basic Terms Modification) to the Conditions, the Residual Certificate Conditions and/or any Transaction Document or enter into any new, supplemental or additional documents for the purposes of:

- (a) complying with, or implementing or reflecting, any change in criteria of the Rating Agencies;
- (b) enabling the Issuer and/or the Cap Provider to comply with any obligation which applies to it under EMIR;
- (c) complying with any changes in the EU Retention Requirements or any other risk retention legislation, regulations or official guidance;
- (d) enabling the Notes to be or remain listed on Euronext Dublin;
- (e) enabling the Issuer or any other Transaction Party to comply with FATCA (or any voluntary agreement entered into with a taxing authority in relation thereto);
- (f) enabling the Issuer to open any custody account for the receipt of any collateral posted by the Cap Provider under the Cap Agreement in the form of securities;
- (g) for so long as the Class A Notes are intended to be held in a manner which will allow for Eurosystem eligibility, maintaining such eligibility;
- (h) complying with any changes in the requirements of the CRA Regulation (if and to the extent applicable), or which are required to comply with Article 7 of the Securitisation Regulation if an STS notification is subsequently made in relation to the Transaction;
- (i) changing the benchmark rate on the Floating Rate Notes from LIBOR to an Alternative Benchmark Rate (and such other amendments as are necessary or advisable in the reasonable judgment of the Issuer (or the Servicer on its behalf) to facilitate such changes) to the extent there has been or there is reasonably expected to be a material disruption or cessation to LIBOR (including changing the benchmark rate referred to in any interest rate hedging agreement to align such rate with the proposed change to LIBOR in respect of such Notes or other such consequential amendments) or where the Calculation Agent makes adjustments to the Cap Agreement following the occurrence of a Benchmark Event thereunder.

Other than in the case of a modification referred to in paragraph (b), (c) and (e) above, it is a condition of any such modification that (1) the Issuer shall provide written notice of the proposed modification to the Noteholders Certificateholders at least 40 calendar days' prior to the date on which it is proposed that the modification would take effect and (2) Noteholders holding or representing at least 10% of the Outstanding Note Principal Amount of the Most Senior Class of Notes outstanding (or, if the Notes have been redeemed in full, Certificateholders holding at least 10% in number of the Residual Certificates in issue) have not contacted the Issuer or the Note Trustee within such notification period notifying the Issuer or the Note Trustee that such Noteholders (or Certificateholders, as the case may be) do not consent to the proposed modification.

In addition, the Note Trustee may, without the consent of the

Noteholders, the Certificateholders or the other Secured Creditors, concur with the Issuer or any other person in making any modification:

- (i) to the Conditions, the Residual Certificate Conditions or any Transaction Document (excluding in relation to a Basic Terms Modification) which in the opinion of the Note Trustee will not be materially prejudicial to the interests of the Most Senior Class of Notes; or
- (ii) to the Conditions, the Residual Certificate Conditions or any Transaction Document (including in relation to a Basic Terms Modification) if in the opinion of the Note Trustee such modification is of a formal, minor or technical nature, to correct a manifest error or to comply with law.

Relationship between Classes of Noteholders

Except in respect of certain matters set out in Condition 12 (*Meetings of Noteholders, amendments, waiver, substitution and exchange*) and the Trust Deed and excluding for the avoidance of doubt a Basic Terms Modification, an Extraordinary Resolution of Noteholders of the Most Senior Class of Notes shall be binding on all other Classes. For further details see Condition 12 (*Meetings of Noteholders, amendments, waiver, substitution and exchange*).

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

In the exercise of its powers, trusts, authorities or discretions, the Note Trustee will only take into consideration the interests of the Most Senior Class of Notes if there is a conflict between the interests of the Most Senior Class of Notes and more junior classes of Noteholders or the Certificateholders.

For more details on the priority applicable to the payment of interest and principal of each Class of Notes, please refer to Condition 2 (*Status and Security*).

Originator/Seller as Noteholder

For each of the purposes in (i), (ii) and (iii) above in the section "*RIGHTS OF NOTEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS - Following an Event of Default*" those Notes of the relevant Class, if any, which are beneficially held by or for the account of the Issuer or the Seller will be deemed not to remain outstanding.

Relationship between Noteholders and other Secured Creditors

Payments of interest and principal to Noteholders and payments of Residual Certificate Payments to Certificateholders are subject to the Priority of Payments as set out in Condition 2 (*Status and Security*) and Residual Certificate Condition 2 (*Status and Security*).

In the exercise of its powers, trusts, authorities or discretions, the Note Trustee will only have regard to the Noteholders and not to the other secured creditors for so long as the Notes are outstanding and will only have regard to the Certificateholders and not to the other secured creditors once the Notes have been redeemed in full.

Provision of Information to the Noteholders and the Certificateholders

Information in respect of the underlying Portfolio will be provided to the Noteholders and the Certificateholders on a monthly basis by the Cash Manager pursuant to the terms of the Cash Management Agreement. The Cash Manager will publish the final Monthly Investor Report on the Structured Finance website <https://sf.citidirect.com/> in accordance with the provisions of the Cash Management Agreement. The website and the contents thereof do not form part of this Prospectus.

For more information on Monthly Investor Reports, please see the section "*GENERAL INFORMATION*".

**Communication with
Noteholders and
Certificateholders**

Any notice shall be deemed to have been duly given to the Noteholders and the Certificateholders if sent to the Clearing Systems for communication by them to the holders of the Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class X Notes and Residual Certificates and shall be deemed to be given on the date on which it was so sent to the Clearing Systems. Any notice to the Noteholders shall also be published in accordance with the relevant guidelines of Euronext Dublin by a notification in writing to the Company Announcement Office of Euronext Dublin.

CREDIT STRUCTURE AND CASHFLOWS

Please refer to sections, "OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS", "OVERVIEW OF THE CONDITIONS OF THE NOTES AND THE RESIDUAL CERTIFICATES" of this Prospectus for further detail in respect of the credit structure and cash flow of the transaction

<p>Available funds of the Issuer</p>	<p>The Issuer will use the Available Principal Receipts and the Available Revenue Receipts for the purposes of making interest and principal payments under the Notes and the Residual Certificate Payments to the Certificateholders and meeting the Issuer's other payment obligations pursuant to the other Transaction Documents.</p>
<p>Available Principal Receipts</p>	<p>The "Available Principal Receipts" means, in respect of any Calculation Period and the immediately succeeding Interest Payment Date, an amount equal to the sum of:</p> <ul style="list-style-type: none"> (a) all Principal Receipts received by the Issuer during such Calculation Period (in each case, excluding any Reconciliation Amounts to be applied as Available Revenue Receipts on that Interest Payment Date); (b) the amount, if any, to be credited to the Principal Deficiency Ledger pursuant to items (f), (i), (l), (o) and (r) of the Pre-Acceleration Revenue Priority of Payments on the relevant Interest Payment Date; and (c) on each Interest Payment Date following a Determination Period, any Reconciliation Amounts deemed to be Available Principal Receipts in accordance with the Cash Management Agreement; (d) any Principal Receipts (other than those Principal Receipts referred to in (a) above) that have not been applied on the immediately preceding Interest Payment Date; and (e) on a Repurchase Date on which the Clean-Up Call is exercised, all amounts relating to the Calculation Period in which the Clean-Up Call is exercised standing to the credit of the Transaction Account (excluding the balance on the Issuer Profit Ledger) on the date which is two Business Days prior to the Repurchase Date, <p>excluding any payments received by the Issuer in error which have been identified by the Servicer and communicated to the Cash Manager accordance with the Servicing Agreement.</p>
<p>Available Revenue Receipts</p>	<p>The "Available Revenue Receipts" means, in respect of any Calculation Period and the immediately following Interest Payment Date, an amount equal to the sum of:</p> <ul style="list-style-type: none"> (a) all Revenue Receipts received by the Issuer during such Calculation Period (in each case, excluding any Reconciliation Amounts to be applied as Available Principal Receipts on that Interest Payment Date); (b) interest received on any Issuer Account (other than any Cap Collateral Account);

	<p>(c) amounts received by the Issuer under the Cap Agreement (other than any (1) early termination amount (save to the extent such early termination amount or part thereof is in excess of any premium due to a replacement Cap Provider) or (2) Replacement Cap Premium (save to the extent such Replacement Cap Premium or any part thereof is in excess of any termination payment due to the relevant outgoing Cap Provider), (3) any Cap Collateral, or (4) Cap Tax Credits or (5) any Excess Cap Collateral);</p> <p>(d) on each Interest Payment Date following a Determination Period, any Reconciliation Amounts deemed to be Available Revenue Receipts in accordance with the Cash Management Agreement;</p> <p>(e) the aggregate of all Available Principal Receipts (if any) which are applied as Surplus Available Principal Receipts;</p> <p>(f) any Revenue Receipts (other than those Revenue Receipts referred to in (a) above) that have not been applied on the immediately preceding Interest Payment Date;</p> <p>(g) the Reserve Fund Release Amount, provided that this is only available for payments under items (a) to (d), (g), (j), (m) and (p) of the Pre-Acceleration Revenue Priority of Payments;</p> <p>(h) on the Final Class A Interest Payment Date, the Final Class B Interest Payment Date, the Final Class C Interest Payment Date, the Final Class D Interest Payment Date, the Final Class E Interest Payment Date, on the date on which the Aggregate Outstanding Principal Balance is zero and the Legal Maturity Date, all amounts on the applicable sub-ledger(s) of the Reserve Fund Ledger; and</p> <p>(i) the Reserve Fund Excess Amount,</p> <p>but, for the avoidance of doubt, excluding any Issuer Profit Amount retained by the Issuer on any previous Interest Payment Date, (without double counting any amounts excluded from the definition of Revenue Receipts) any amounts which have been applied as Permitted Revenue Withdrawals by the Issuer during the immediately preceding Calculation Period and any payments received by the Issuer in error which have been identified by the Servicer and communicated to the Cash Manager accordance with the Servicing Agreement.</p>						
<p>Summary of Priority of Payments</p>	<p>Below is a summary of the relevant payment priorities. Full details of the payment priorities are set out in Condition 2 (<i>Status and Security</i>).</p> <table border="1" data-bbox="491 1666 1404 2060"> <thead> <tr> <th data-bbox="491 1666 794 1794">Pre-Acceleration Revenue Priority of Payments</th> <th data-bbox="794 1666 1098 1794">Pre-Acceleration Principal Priority of Payments</th> <th data-bbox="1098 1666 1404 1794">Post-Acceleration Priority of Payments</th> </tr> </thead> <tbody> <tr> <td data-bbox="491 1794 794 2060">On each Interest Payment Date falling prior to the service of a Note Acceleration Notice on the Issuer by the Note Trustee, the Issuer will distribute the Available Revenue</td> <td data-bbox="794 1794 1098 2060">On each Interest Payment Date falling prior to the service of a Note Acceleration Notice on the Issuer by the Note Trustee, the Issuer will distribute the Available Principal</td> <td data-bbox="1098 1794 1404 2060">The Security Trustee will apply amounts (other than amounts representing (i) any Excess Cap Collateral which shall be returned directly to the Cap Provider (and for the</td> </tr> </tbody> </table>	Pre-Acceleration Revenue Priority of Payments	Pre-Acceleration Principal Priority of Payments	Post-Acceleration Priority of Payments	On each Interest Payment Date falling prior to the service of a Note Acceleration Notice on the Issuer by the Note Trustee, the Issuer will distribute the Available Revenue	On each Interest Payment Date falling prior to the service of a Note Acceleration Notice on the Issuer by the Note Trustee, the Issuer will distribute the Available Principal	The Security Trustee will apply amounts (other than amounts representing (i) any Excess Cap Collateral which shall be returned directly to the Cap Provider (and for the
Pre-Acceleration Revenue Priority of Payments	Pre-Acceleration Principal Priority of Payments	Post-Acceleration Priority of Payments					
On each Interest Payment Date falling prior to the service of a Note Acceleration Notice on the Issuer by the Note Trustee, the Issuer will distribute the Available Revenue	On each Interest Payment Date falling prior to the service of a Note Acceleration Notice on the Issuer by the Note Trustee, the Issuer will distribute the Available Principal	The Security Trustee will apply amounts (other than amounts representing (i) any Excess Cap Collateral which shall be returned directly to the Cap Provider (and for the					

	<p>Receipts (other than the amounts referred to in paragraph (g) of that definition) on each Interest Payment Date in accordance with the following Pre-Acceleration Revenue Priority of Payments (in each case only if and to the extent that payments or provisions of higher priority have been paid in full):</p>	<p>Receipts on each Interest Payment Date in accordance with the following Pre-Acceleration Principal Priority of Payments (in each case only if and to the extent that payments or provisions of higher priority have been paid in full):</p>	<p>avoidance of doubt, such payment shall be without regard to the relevant Priority of Payments) and (ii) in respect of the Cap Provider, prior to the designation of an early termination date under the Cap Agreement and the resulting application of the collateral by way of netting or set-off, an amount equal to the value of all Cap Collateral (other than Excess Cap Collateral) (and any interest or distributions in respect thereof)) received or recovered following enforcement of the Security in the following order of priority (in each case only if and to the extent that payments or provisions of higher priority have been paid in full):</p>
	<p>(a) first, for the Issuer to retain as profit the Issuer Profit Amount on the Issuer Profit Ledger from which the Issuer will discharge its corporate income or corporation tax liability (if any);</p>	<p>(a) first, pro rata and pari passu, to pay the Class A Noteholders, in accordance with the respective amounts thereof, principal on the Class A Notes;</p>	<p>(a) first, pro rata and pari passu, to pay all amounts due under the Transaction Documents to the Security Trustee and any Receiver or to the Note Trustee on account of their fees and expenses (including any legal fees and expenses), claims, costs, liabilities or any indemnity payments plus any tax on any of the foregoing;</p>
	<p>(b) then, pro rata and pari passu, to pay all amounts due under the Transaction Documents to the Security Trustee and</p>	<p>(b) then, pro rata and pari passu, to pay the Class B Noteholders, in accordance with the respective amounts thereof, principal on</p>	<p>(b) then, pro rata and pari passu, to pay the Senior Expenses then due or overdue by the Issuer (excluding any amounts paid under</p>

	<p>any Receiver or to the Note Trustee on account of their fees and expenses (including any legal fees and expenses), claims, costs, liabilities or any indemnity payments plus any tax on any of the foregoing;</p>	<p>the Class B Notes;</p>	<p>item (a) above);</p>
	<p>(c) then, pro rata and pari passu, to pay:</p> <p>(i) the Senior Expenses then due or overdue by the Issuer (excluding any amounts paid under item (b));</p> <p>(ii) any amount due from the Issuer to the Rating Agencies as surveillance or monitoring fees or to the Irish Listing Agent or Euronext Dublin as fees and expenses in connection with the maintenance of the listing of the Notes, together with any amount in respect of VAT (if any) on those amounts;</p> <p>(iii) any fees, costs, taxes (including VAT but excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses, indemnity payments and other amounts properly due and payable to the directors of the Issuer (properly incurred with respect to their duties), legal advisers, tax advisers or auditors of the Issuer, and any</p>	<p>(c) then, pro rata and pari passu, to pay the Class C Noteholders, in accordance with the respective amounts thereof, principal on the Class C Notes;</p>	<p>(c) then, pro rata and pari passu, to pay the Class A Noteholders amounts in respect of interest and principal due and payable on the Class A Notes until the Class A Notes are redeemed in full;</p>

	<p>other amounts due and payable by the Issuer to third parties in connection with the Issuer's ownership of the Purchased Receivables, the Notes, the establishment, liquidation and/or dissolution of the Issuer, or any annual return, filing, registration and registered office or other company, licence or statutory fees in England (excluding any amounts expressly payable as Senior Expenses); and</p> <p>(iv) any amounts due and payable by the Issuer to the Cap Provider as Interest Amounts (as defined in the Cap Agreement) not otherwise discharged by the Issuer on such Interest Payment Date;</p>		
	<p>(d) then, pro rata and pari passu, to pay the Class A Noteholders any due and payable Class A Interest Amount on the Class A Notes and any Class A Interest Shortfall;</p>	<p>(d) then, pro rata and pari passu, to pay the Class D Noteholders, in accordance with the respective amounts thereof, principal on the Class D Notes;</p>	<p>(d) then, pro rata and pari passu, to pay the Class B Noteholders amounts in respect of interest and principal due and payable on the Class B Notes until the Class B Notes are redeemed in full;</p>
	<p>(e) then, to the Reserve Fund Ledger (Class A) in an amount up to the amount required to make the balance of the Reserve Fund Ledger (Class A) equal to the Reserve Fund Required Amount (Class A) (or, if there are insufficient amounts available to do so, all amounts</p>	<p>(e) then, pro rata and pari passu, to pay the Class E Noteholders, in accordance with the respective amounts thereof, principal on the Class E Notes; and</p>	<p>(e) then, pro rata and pari passu, to pay the Class C Noteholders amounts in respect of interest and principal due and payable on the Class C Notes until the Class C Notes are redeemed in full;</p>

	remaining for application under this item (e));		
	(f) then, an amount sufficient to eliminate any debit on the Principal Deficiency Sub-ledger (Class A) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (f));	(f) then, to apply any remaining amounts as Available Revenue Receipts (" Surplus Available Principal Receipts ").	(f) then, pro rata and pari passu, to pay the Class D Noteholders amounts in respect of interest and principal due and payable on the Class D Notes until the Class D Notes are redeemed in full;
	(g) then, pro rata and pari passu, to pay the Class B Noteholders any due and payable Class B Interest Amount on the Class B Notes and any Class B Interest Shortfall;		(g) then, pro rata and pari passu, to pay the Class X Noteholders amounts in respect of interest and principal due and payable on the Class X Notes until the Class X Notes are redeemed in full;
	(h) then to the Reserve Fund Ledger (Class B) in an amount up to the amount required to make the balance of the Reserve Fund Ledger (Class B) equal to the Reserve Fund Required Amount (Class B) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (h));		(h) then, pro rata and pari passu, to pay the Class E Noteholders amounts in respect of interest and principal due and payable on the Class E Notes until the Class E Notes are redeemed in full;
	(i) then, an amount sufficient to eliminate any debit on the Principal Deficiency Sub-ledger (Class B) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (i));		(i) then, for the Issuer to retain as profit the Issuer Profit Amount and to pay any corporate income or corporation tax liability not otherwise able to be paid from the Issuer Profit Ledger; and

	<p>(j) then, pro rata and pari passu, to pay the Class C Noteholders any due and payable Class C Interest Amount on the Class C Notes and any Class C Interest Shortfall;</p>		<p>(j) then, pro rata and pari passu, to pay all remaining amounts to the Certificateholders as the Residual Certificate Payments.</p>
	<p>(k) then, to the Reserve Fund Ledger (Class C) in an amount up to the amount required to make the balance of the Reserve Fund Ledger (Class C) equal to the Reserve Fund Required Amount (Class C) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (k));</p>		
	<p>(l) then, an amount sufficient to eliminate any debit on the Principal Deficiency Sub-ledger (Class C) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (l));</p>		
	<p>(m) then, pro rata and pari passu, to pay the Class D Noteholders any due and payable Class D Interest Amount on the Class D Notes and any Class D Interest Shortfall;</p>		
	<p>(n) then, to the Reserve Fund Ledger (Class D) in an amount up to the amount required to make the balance of the Reserve Fund Ledger (Class D) equal to the Reserve Fund Required</p>		

	<p>Amount (Class D) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (n));</p>		
	<p>(o) then, an amount sufficient to eliminate any debit on the Principal Deficiency Sub-ledger (Class D) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (o));</p>		
	<p>(p) then, pro rata and pari passu, to pay the Class E Noteholders any due and payable Class E Interest Amount on the Class E Notes and any Class E Interest Shortfall;</p>		
	<p>(q) then, to the Reserve Fund Ledger (Class E) in an amount up to the amount required to make the balance of the Reserve Fund Ledger (Class E) equal to the Reserve Fund Required Amount (Class E) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (q));</p>		
	<p>(r) then, an amount sufficient to eliminate any debit on the Principal Deficiency Sub-ledger (Class E) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this</p>		

	item (r));		
	(s) then, pro rata and pari passu, to pay the Class X Noteholders any due and payable Class X Interest Amount on the Class X Notes and any Class X Interest Shortfall;		
	(t) then, pro rata and pari passu, to pay the Class X Noteholders, in accordance with the respective amounts thereof, principal on the Class X Notes;		
	(u) then, to pay any indemnity payments to any party under the Transaction Documents not otherwise payable above; and		
	(v) then, pro rata and pari passu, to pay all remaining amounts to the Certificateholders as the Residual Certificate Payments.		
<p>General Credit Structure</p>	<p>The credit structure of the transaction includes the following elements:</p> <p>Reserve Fund</p> <ul style="list-style-type: none"> • Availability of the Reserve Fund, funded from part of the proceeds of the Class X Notes on the Closing Date, in an amount equal to: (a) £6,319,700 as at the Closing Date; and (b) thereafter, will be replenished up to the aggregate of the Reserve Fund Required Amount (Class A), Reserve Fund Required Amount (Class B), Reserve Fund Required Amount (Class C), Reserve Fund Required Amount (Class D) and Reserve Fund Required Amount (Class E) in accordance with the Pre-Acceleration Revenue Priority of Payments on each Interest Payment Date. Other than as described below, the Reserve Fund will be available to pay (and only to pay) the following amounts: <ul style="list-style-type: none"> (a) interest on the Class A Notes and senior ranking amounts referred to in items (a) to (c) (inclusive) of the Pre-Acceleration Revenue Priority of Payments, up to an amount recorded on the Reserve Fund Ledger (Class A), from the Closing Date up to (and including) the Final Class A Interest Payment Date; 		

	<p>(b) interest on the Class B Notes and senior ranking amounts referred to in items (a) to (c) (inclusive) of the Pre-Acceleration Revenue Priority of Payments, up to the amount recorded on the Reserve Fund Ledger (Class B), from the Closing Date up to (and including) the Final Class B Interest Payment Date;</p> <p>(c) interest on the Class C Notes and senior ranking amounts referred to in items (a) to (c) (inclusive) of the Pre-Acceleration Revenue Priority of Payments, up to the amount recorded on the Reserve Fund Ledger (Class C), from the Closing Date up to (and including) the Final Class C Interest Payment Date;</p> <p>(d) interest on the Class D Notes and senior ranking amounts referred to in items (a) to (c) (inclusive) of the Pre-Acceleration Revenue Priority of Payments, up to the amount recorded on the Reserve Fund Ledger (Class D), from the Closing Date up to (and including) the Final Class D Interest Payment Date; and</p> <p>(e) interest on the Class E Notes and senior ranking amounts referred to in items (a) to (c) (inclusive) of the Pre-Acceleration Revenue Priority of Payments, up to the amount recorded on the Reserve Fund Ledger (Class E), from the Closing Date up to (and including) the Final Class E Interest Payment Date.</p> <ul style="list-style-type: none">• On (1) the Final Class A Interest Payment Date, the Final Class B Interest Payment Date, the Final Class C Interest Payment Date, the Final Class D Interest Payment Date and the Final Class E Interest Payment Date (unless the Clean-Up Call is exercised on such date), (2) the Legal Maturity Date and (3) the date on which the Aggregate Outstanding Principal Balance is zero, the balance standing to the credit of the Reserve Fund Ledger (Class A), the Reserve Fund Ledger (Class B), the Reserve Fund Ledger (Class C), the Reserve Fund Ledger (Class D) and the Reserve Fund Ledger (Class E) (as applicable) shall be applied as Available Revenue Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments.• In addition, on each Interest Payment Date on which there is a Reserve Fund Excess Amount such amount shall be debited from the Reserve Fund and applied as Available Revenue Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments. On the Interest Payment Date on which the Clean-Up Call is exercised the entire Reserve Fund balance shall be applied as Available Revenue Receipts in addition to all other Available Revenue Receipts on such Interest Payment Date. <p><i>Principal Deficiency Ledger</i></p> <ul style="list-style-type: none">• The Principal Deficiency Ledger will comprise of five sub-ledgers, known as the Principal Deficiency Sub-ledger (Class A), Principal Deficiency Sub-ledger (Class B), Principal Deficiency Sub-ledger (Class C), Principal Deficiency Sub-ledger (Class D) and Principal Deficiency Sub-ledger (Class E), which will be established to record
--	---

	<p>as a debit the Outstanding Principal Balance of Defaulted Receivables and Voluntarily Terminated Receivables (determined at the point at which such Purchased Receivable became a Defaulted Receivable or Voluntarily Terminated Receivable) (the "Gross Loss") and as a credit the use of any Available Revenue Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments. Available Revenue Receipts will be credited to the Principal Deficiency Ledger to correct any Gross Losses recorded prior to payment of any interest or principal on the Class X Notes.</p> <p>Interest rate cap</p> <ul style="list-style-type: none"> • availability of the interest rate cap provided by the Cap Provider to hedge against the variance between the fixed rate of interest in respect of the Purchased Receivables and the floating rate of interest in respect of the Floating Rate Notes where LIBOR exceeds the Cap Rate under the Cap Agreement; <p>Subordination</p> <ul style="list-style-type: none"> • the subordination of the more junior ranking Notes to the senior ranking Notes provided that until service of a Note Acceleration Notice the Class E Notes will benefit from subordination of the Class X Notes; and • See the sections entitled "<i>OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS — Cash Management Agreement</i>", "<i>OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Cap Agreement</i>" and "<i>CONDITIONS OF THE NOTES</i>" in this Prospectus for further information.
<p>Bank Accounts and Cash Management</p>	<p>All Collections in respect of the Purchased Receivables in the Portfolio are received in the BMF DD Collection Account in the name of the BMF DD Collection Account Holder (or, in the case of prepayments and certain other exceptional payments received from Obligors, the Seller Collection Account in the name of BMFL). The Servicer is obliged to transfer Collections in respect of the Purchased Receivables in the Portfolio from either such account to the Transaction Account within 2 Business Days of applying such Collections to an Obligor's account (or, in respect of Collections received on or after the Cut-Off Date but prior to the Closing Date, within 5 Business Days following the Closing Date), or as otherwise directed by the Issuer or the Security Trustee.</p> <p>In addition, the BMF DD Collection Account Holder has declared a trust over all amounts standing to the credit of the BMF DD Collection Account and BMFL has declared a trust over all amounts standing to the credit of the Seller Collection Account, in each case in favour of the Issuer (in respect of any amounts received in respect of Purchased Receivables in the Portfolio), certain other beneficiaries and itself in accordance with the terms of the Servicing Agreement and the relevant Collection Account Declaration of Trust (as to which see further the section entitled "<i>OVERVIEW OF THE TRANSACTION DOCUMENTS – Collection Account Declarations of Trust</i>" in this Prospectus).</p> <p>On each Interest Payment Date amounts representing Collections for the relevant Calculation Period together with other items comprising the Available Principal Receipts and Available Revenue Receipts shall be</p>

	applied by the Cash Manager in accordance with the applicable Priority of Payments.
Overview of key Cap terms	<p>The interest rate cap has the following key commercial terms:</p> <ul style="list-style-type: none">• Cap Notional Amount: On the Closing Date, the notional amount of the interest rate cap transaction documented by the Cap Agreement will be equal to £312,075,000. At the commencement of each relevant period in respect of the interest rate cap transaction, the notional amount will reduce in accordance with the fixed amortisation schedule appended to the interest rate cap transaction confirmation.• Cap Provider payment: The excess of one month sterling LIBOR over the Cap Rate multiplied by the Cap Notional Amount for the relevant period.• Frequency of Cap Provider payment: Each Interest Payment Date. <p>See the section entitled "<i>OVERVIEW OF THE TRANSACTION DOCUMENTS – Cap Agreement</i>" for more details, including the fixed amortisation schedule used for determination of the Cap Notional Amount for each relevant period.</p>

TRIGGERS TABLES

RATING TRIGGERS TABLE

<u>Transaction Party</u>	<u>Required Ratings/Triggers</u>	<u>Possible effects of Trigger being breached include the following</u>
Account Bank	<p>(a) Short-term, unsecured, unguaranteed and unsubordinated debt obligations rated at least P-1 by Moody's and A-1 by S&P; and</p> <p>(b) long-term bank deposits rated at least A2 by Moody's and A by S&P.</p>	<p>The consequence of breach is that, within 30 calendar days of the breach, one of the following will occur: (a) the Transaction Account may be closed by, or on behalf of, the Issuer and all amounts standing to the credit thereof shall be transferred by, or on behalf of, the Issuer within 30 calendar days to accounts held with a financial institution (i) having all the Required Ratings and (ii) which is a bank as defined in Section 991 of the Income Tax Act 2007, or (b) the Account Bank may obtain a guarantee in support of its obligations under the Bank Account Agreement from a financial institution which has all the Required Ratings, or (c) a Rating Agency Confirmation will be obtained or the Account Bank will take such other actions as may be reasonably requested by the parties to the Bank Account Agreement (other than the Security Trustee) to ensure that the rating of the Most Senior Class of Notes immediately prior to the breach is not adversely affected by the breach.</p> <p>If the Account Bank fails to comply with the above, the Account Bank's appointment will be terminated by the Issuer (with prior written notice to the Security Trustee) (such termination being effective on a replacement account bank being appointed by the Issuer).</p>
Cap Provider	<p>An Eligible Cap Provider is any entity:</p> <p>(a) that (x) has the S&P First Required Rating (in the event that S&P Option 1 or S&P Option 2 applies, as such terms are defined in the Cap Agreement) or (y) has the S&P Second Required Rating (in the event that S&P Option 1 or S&P Option 2 or S&P Option 3 or S&P Option 4 applies) and posts collateral in accordance with the Cap Agreement; and</p> <p>(b) having a counterparty risk assessment of (i) "A3" or above by Moody's or (ii) "Baa3" or above by Moody's and which either posts collateral in the amount and manner set forth in the Cap Agreement or obtains a guarantee</p>	<p>If the Cap Provider ceases to be an Eligible Cap Provider, the Cap Provider shall take action in accordance with the Cap Agreement, including posting eligible collateral into the interest-bearing Cap Collateral Account in accordance with the provisions of the Cap Agreement.</p> <p>Failure of the Cap Provider to maintain its credit rating at certain levels required by the Cap Agreement, which failure may not constitute a termination event if (in the time set forth in the Cap Agreement) the Cap Provider:</p> <p>(a) posts an amount of collateral as calculated in accordance with the credit support annex to the Cap Agreement; or</p> <p>(b) obtains a guarantee from an institution with an acceptable rating; or</p> <p>(c) transfers its rights and obligations</p>

<u>Transaction Party</u>	<u>Required Ratings/Triggers</u>	<u>Possible effects of Trigger being breached include the following</u>
	<p>from a person having the ratings set forth in (i) above.</p>	<p>under the Cap Agreement to a successor Cap Provider which is an Eligible Cap Provider; or</p> <p>(d) take such other action in order to maintain the rating of the Notes, or to restore the ratings of the Notes to the levels they would have been at immediately prior to such downgrade.</p> <p>Failure by the Cap Provider to take the required remedial action in the time required will give rise to a termination event which will give the Issuer the right to terminate the Cap Agreement.</p> <p>The Cap Provider may transfer its rights and obligations under the Cap Agreement to a third party which is an Eligible Cap Provider, subject to certain conditions specified in the Cap Agreement.</p>

NON-RATING TRIGGERS TABLE

<u>Nature of Trigger</u>	<u>Description of Trigger</u>	<u>Consequence of Trigger</u>
Servicer Termination Event	<p>The occurrence of any of the following events:</p> <ul style="list-style-type: none"> <li data-bbox="549 412 975 472">(a) an Insolvency Event occurs in respect of the Servicer; <li data-bbox="549 501 975 1048">(b) the Servicer fails to pay any amount due under the Servicing Agreement on the due date or on demand, if so payable, or to direct any movement of collections as required under the Servicing Agreement and the other Transaction Documents, and such failure has continued unremedied for a period of 7 Business Days after written notice of the same has been received by the Servicer or discovery of such failure by the Servicer; <li data-bbox="549 1077 975 2051">(c) the Servicer (i) fails to observe or perform in any respect any of its covenants and obligations under or pursuant to the Servicing Agreement or any other Transaction Document to which it is a party (other than as referred to in paragraph (b) above and paragraph (ii) of this paragraph (c)) and such failure results in a Material Adverse Effect on the Purchased Receivables and continues unremedied for a period of 60 calendar days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer or (ii) fails to maintain its authorisations and permissions under the FSMA or any other regulatory licence or approval required under the terms of the Servicing Agreement and such failure continues 	<p>Termination of the appointment of the Servicer and either:</p> <ul style="list-style-type: none"> <li data-bbox="1007 412 1401 472">(a) invocation of the Standby Servicer ; or <li data-bbox="1007 501 1401 831">(b) if there is no Standby Servicer or the Standby Servicer is unable to assume responsibility for the administration of the Purchased Receivables, use of reasonable endeavours by the Issuer to appoint a replacement Servicer.

	<p>unremedied for a period of 60 calendar days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer; or</p> <p>(d) any of the representations or warranties given by the Servicer pursuant to the Servicing Agreement or any other Transaction Document to which it is a party or in any report provided by the Seller or the Servicer prove to be untrue, incomplete or inaccurate and such default results in a Material Adverse Effect on the Purchased Receivables and (if capable of remedy) continues unremedied for a period of 60 calendar days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer.</p>	
<p>Perfection Event</p>	<p>Following the occurrence of any of the following events the Issuer may request the Servicer to notify the obligors in respect of the assignment of the Purchased Receivables to the Issuer:</p> <p>(a) the Seller being required to perfect the Issuer's legal title to the Purchased Receivables (or procure the perfection of the Issuer's legal title to the Purchased Receivables) by an order of a court of competent jurisdiction or by any regulatory authority of which the Seller is a member or any organisation with whose instructions it is customary for the Seller to comply;</p> <p>(b) it becoming necessary by law to perfect the Issuer's legal title to the Purchased Receivables (or procure the perfection of the Issuer's legal title to the</p>	<p>The Servicer shall deliver a Perfection Event Notice within 3 Business Days from the occurrence of a Perfection Event.</p> <p>Should the Servicer fail to notify the Obligor within 3 Business Days, the Issuer (or an agent appointed on its behalf and subject to data protection laws) shall promptly notify the relevant Obligor within 5 Business Days.</p>

	<p>Purchased Receivables);</p> <p>(c) unless otherwise agreed by the Security Trustee, the occurrence of a Servicer Termination Event;</p> <p>(d) the Seller calling for perfection by serving notice in writing to that effect on the Issuer, the Note Trustee and the Security Trustee; and</p> <p>(e) the occurrence of an Insolvency Event in respect of the Seller.</p>	
<p>Event of Default</p>	<p>The occurrence of any of the following events:</p> <p>(a) an Insolvency Event occurs in respect of the Issuer;</p> <p>(b) a default occurs in the payment of interest on any Interest Payment Date in respect of the Most Senior Class of Notes or, following redemption in full of the Notes, any Residual Certificate Payment due in respect of the Residual Certificates (and such default is not remedied within 14 Business Days of its occurrence);</p> <p>(c) the Issuer defaults in the payment of principal on the Most Senior Class of Notes when due, and such default continues for a period of 7 Business Days;</p> <p>(d) the Issuer fails to perform or observe any of its other material obligations under the Conditions, the Residual Certificates or the Transaction Documents and such failure continues for a period of 30 calendar days following written notice from the Note Trustee or any other Secured Creditors; or</p>	<p>If an Event of Default has occurred and is continuing, the Note Trustee at its absolute discretion may, and, if so directed by the (i) holders of at least 25% in aggregate Outstanding Note Principal Amount of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes at the relevant date; or (ii) following redemption in full of the Notes, holders of at least 25% in number of the Residual Certificates then in issue or if so directed by an Extraordinary Resolution of the Certificateholders (subject, in each case, to the Note Trustee being indemnified and/or secured and/or prefunded to its satisfaction), will give a Note Acceleration Notice to the Issuer, the Security Trustee, the Account Bank, the Cash Manager and the Paying Agent declaring the Notes and any Residual Certificate Payments pursuant to the Residual Certificates due and payable and each Note will accordingly become immediately due and payable, without further action or formality, at its Outstanding Note Principal Amount together with accrued interest (in the case of the Notes).</p> <p>Following the delivery of a Note Acceleration Notice the Notes will be automatically declared to be immediately due and payable</p>

	<p>(e) the Deed of Charge (or any security interest purported to be created thereunder) shall, for any reason, cease to be in full force and effect or be declared to be null and void, or the validity or enforceability thereof shall be contested by the Issuer or the Issuer shall deny that it has any or further liability or obligation under the Deed of Charge (or with respect thereto).</p>	<p>and the Security Trustee shall, subject to being indemnified and/or secured and/or prefunded to its satisfaction, have the right to enforce the Security.</p>
<p>Cash Manager Termination Events</p>	<p>The occurrence of any of the following in relation to the Cash Manager:</p> <p>(a) a default is made by the Cash Manager in the payment, on the due date, of any payment due and payable by it under the Cash Management Agreement and such default (where capable of remedy) continues unremedied for a period of three Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer or the Security Trustee, as the case may be, requiring the same to be remedied; or</p> <p>(b) a default is made by the Cash Manager in the performance or observance of any of its other covenants and obligations under the Cash Management Agreement, which in the opinion of the Security Trustee is materially prejudicial to the interests of the Secured Creditors and such default continues unremedied for a period of 30 Business Days after the earlier of the Cash Manager becoming aware of such default (where capable of remedy) and receipt by the Cash Manager of written notice</p>	<p>Following the occurrence of a Cash Manager Termination Event the Issuer may terminate the appointment of the Cash Manager under the Cash Management Agreement.</p> <p>Further at any time, the Cash Manager may also resign its appointment on no less than 90 days' written notice to, among others, the Issuer and the Security Trustee and the Note Trustee with a copy being sent to the Rating Agencies provided that such resignation shall not take effect unless the Issuer, and the Security Trustee consent to such resignation and until a Replacement Cash Manager, which has been approved by the Security Trustee and the Issuer has been appointed in its place.</p> <p>If the Cash Manager's appointment is terminated, the Issuer shall identify a suitable entity to act as a Replacement Cash Manager which must first be approved by the Security Trustee.</p>

	<p>from the Issuer or the Security Trustee, as applicable, requiring the same to be remedied (where capable of remedy); or</p> <p>(c) it is or will become unlawful for the Cash Manager to perform or comply with any of its obligations under the Cash Management Agreement; or</p> <p>(d) an Insolvency Event occurs in respect of the Cash Manager.</p>	
--	---	--

EU RISK RETENTION AND CERTAIN REGULATORY DISCLOSURES

Retention statement

The Seller will covenant with the Issuer and the Note Trustee under the Receivables Sale and Purchase Agreement that the Seller will, on an on-going basis, retain all Class E Notes and undertakes to retain such interest as original lender in accordance with Article 405 of the CRR, Article 17 of the AIFMD and Article 254 of the Solvency II Regulation. As at the Closing Date this corresponds to the material net economic interest of not less than 5% within the meaning of Article 405 of the CRR, Article 17 of the AIFMD, as specified by Article 51 of the AIFMR and Article 254 of the Solvency II Regulation, each as interpreted and applied on the Closing Date (the "**Retained Interest**").

The Seller covenants with the Issuer and the Note Trustee in the Receivables Sale and Purchase Agreement:

- (a) to confirm, or procure that the Servicer confirms, to the Issuer and Cash Manager in each Monthly Report that it continues to hold the Retained Interest;
- (b) to provide notice to each of the Issuer, the Note Trustee, the Security Trustee and the Cash Manager as soon as practicable in the event it no longer holds the Retained Interest;
- (c) not to reduce or otherwise mitigate its credit exposure to the Retained Interest either through hedging, sale or transfer of all or part of the Retained Interest and not to take any action which would reduce its exposure to the economic risk of the Class E Notes in such a way that it ceases to hold the Retained Interest;
- (d) to provide, or procure that the Servicer shall provide, to the Issuer, the Note Trustee, the Security Trustee and the Cash Manager such information within its possession or control or reasonably capable of being obtained by it as may be reasonably required by the Noteholders and the Certificateholders to be included in the Monthly Investor Report to enable such Noteholders and Certificateholders to comply with their obligations pursuant to the CRR, the AIFMR and the Solvency II Regulation; and
- (e) to take any further action as may be necessary to satisfy the requirements of Article 409 of the CRR and Article 52 of the AIFMR, subject to any requirement of law.

Investors to assess compliance; Information

Each prospective investor is, however, required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with Article 406 of the CRR, Article 52 of the AIFMR and Article 254 of the Solvency II Regulation and none of the Issuer, the Joint Lead Managers or the Seller make any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes. In addition, each prospective Noteholder and Certificateholder should ensure that they comply with the implementing provisions in respect of Article 406 of the CRR, Article 52 of the AIFMR and Article 254 of the Solvency II Regulation in their relevant jurisdiction.

Prospective investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

In order to enable the Noteholders and Certificateholders to conduct their own assessments, each Monthly Investor Report will contain a statement in respect of the retention of the Class E Notes as at the end of the corresponding Calculation Period.

Pursuant to the provisions of the Servicing Agreement, the Servicer will provide, upon reasonable request by the Issuer, such further information as reasonably requested by Noteholders and Certificateholders for the purposes of compliance of such Noteholder and Certificateholder with the requirements under Article 406 of the CRR, Article 52 of the AIFMR and chapter VIII of title I of the Solvency II Regulation (including Article 254) and the implementation into the relevant national law,

subject to applicable law and availability provided that the Servicer shall be entitled to limit the frequency of the disclosure of such additional information to not more than four times in a calendar year.

In addition, the Seller has further covenanted with the Issuer and the Note Trustee under the Receivables Sale and Purchase Agreement that it will provide the Issuer with all information within its possession or control or reasonably capable of being obtained by it which is reasonably required for the Seller to comply with Article 409 of the CRR, Article 52 of the AIFMR and chapter VIII of title I of the Solvency II Regulation (including Article 254).

Information regarding policies and procedures of the Seller

The Seller has internal policies and procedures in relation to the granting of credit, administration of credit-risk bearing portfolios and risk mitigation. The policies and procedures of the Seller in this regard broadly include the following:

- (a) criteria for the granting of credit and the process for approving, amending, renewing and re-financing credit, as to which please see further the section of this Prospectus headed "*THE SELLER AND THE SERVICER*";
- (b) systems in place to administer and monitor the various credit-risk bearing portfolios and exposures, as to which we note that the Portfolio will be serviced in line with the usual servicing procedures of the Seller – please see further the section of this Prospectus headed "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Servicing Agreement*";
- (c) diversification of credit portfolios given the Seller's target market and overall credit strategy, as to which, in relation to the Portfolio, please see the section of this Prospectus headed "*DESCRIPTION OF THE PORTFOLIO*"; and
- (d) policies and procedures in relation to risk mitigation techniques, as to which please see further the sections of this Prospectus headed "*THE SELLER AND THE SERVICER*".

DESCRIPTION OF THE NOTES WHILST IN GLOBAL FORM

Each Class of Notes will initially be issued in global registered form in an aggregate principal amount equal to an initial Aggregate Outstanding Note Principal Amount for such Class.

The Global Notes representing the Class A Notes will be held under the NSS and will be deposited with and registered in the name of the Common Safekeeper as nominee for both Euroclear and Clearstream, Luxembourg.

The Global Notes representing the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and Class X Notes will be deposited with a Common Depository for Clearstream, Luxembourg and Euroclear in the form of a classical global note (CGN).

The Registrar will maintain a register in which it will register the nominee as the owner of each Global Note.

Upon confirmation by the Common Safekeeper that it has custody of the Global Notes, the relevant Clearing Systems will record in book-entry form interests representing beneficial interests in such Global Notes ("**Book-Entry Interests**").

In accordance with the rules and procedures for the time being of Euroclear or, as the case may be, Clearstream, Luxembourg, after receipt of any payment from the Paying Agent to the order of the Common Depository, or the Common Safekeeper (as applicable), the respective systems will promptly credit their participants' accounts with payments in amounts proportionate to their respective ownership of Book-Entry Interests as shown in the records of Euroclear or Clearstream, Luxembourg. On each record date, Euroclear and Clearstream, Luxembourg will determine the identity of the Noteholders for the purposes of making payments to the Noteholders. The record date in respect of the cleared Notes shall be one Clearing System Business Day prior to the relevant Interest Payment Date where "**Clearing System Business Day**" means a day on which each clearing system for which the cleared Notes are being held is open for business.

Holders of Book-Entry Interests in the Global Note will be entitled to receive Notes in definitive registered form (such as exchanged notes, "**Definitive Notes**") in the minimum denomination of £100,000 or a higher integral multiple of £1,000 up to and including £199,000, in exchange for their respective holdings of Book-Entry Interests if an Exchange Event occurs.

Any Definitive Notes issued in exchange for Book-Entry Interests in any Global Note will be registered by the Registrar in such name or names as the Issuer and the Common Safekeeper shall instruct the Registrar (based on the instructions of the relevant Clearing System(s)). It is expected that such instructions will be based upon directions received by the relevant Clearing Systems from their participants with respect to ownership of the relevant Book-Entry Interests. Holders of Definitive Notes issued in exchange for Book-Entry Interests in any Global Note will not be entitled to exchange such Definitive Notes for Book-Entry Interests in such Global Note. Any Notes issued in definitive form will be issued in registered form only and will be issued in a minimum denomination of £100,000 and a higher integral multiple of £1,000 up to and including £199,000.

So long as the Notes of any Class are represented in their entirety by any Global Note held on behalf of any Clearing System, notices to the relevant Noteholders shall be given by delivery of the relevant notice to the relevant Clearing System for communication by them to such Noteholders. Any such notice shall be deemed to have been given to the relevant Noteholders on the day on which said notice was given to the relevant Clearing System. So long as the relevant Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes or Class X Notes are admitted to trading and listed on the official list of Euronext Dublin, any such notice shall also be published in accordance with the relevant guidelines of Euronext Dublin by a notification in writing to the Company Announcements Office of Euronext Dublin.

DESCRIPTION OF THE RESIDUAL CERTIFICATES WHILST IN GLOBAL FORM

The Residual Certificates will initially be issued in global registered form.

The Global Residual Certificate representing the Residual Certificates will be deposited with a Common Depository for Clearstream, Luxembourg and Euroclear.

The Registrar will maintain a register in which it will register the nominee as the holder of the Global Residual Certificate.

Upon confirmation by the Common Safekeeper that it has been issued with the Global Residual Certificate, the relevant Clearing Systems will record the beneficial interests in the Global Residual Certificate ("**Residual Certificate Book-Entry Interests**") representing beneficial interests in the Residual Certificates attributable thereto.

In accordance with the rules and procedures for the time being of Euroclear or, as the case may be, Clearstream, Luxembourg, after receipt of any payment from the Paying Agent to the order of the Common Depository, or the Common Safekeeper (as applicable), the respective systems will promptly credit their participants' accounts with payments in amounts proportionate to their respective ownership of Book-Entry Interests as shown in the records of Euroclear or Clearstream, Luxembourg. On each record date, Euroclear and Clearstream, Luxembourg will determine the identity of the Certificateholders for the purposes of making payments to the Certificateholders. The record date in respect of the cleared Residual Certificates shall be one Clearing System Business Day prior to the relevant Interest Payment Date where "**Clearing System Business Day**" means a day on which each clearing system for which the cleared Residual Certificates are being held is open for business.

Holders of Residual Certificate Book-Entry Interests in the Global Residual Certificate will be entitled to receive Residual Certificates in definitive registered form (such as exchanged residual certificates, "**Definitive Residual Certificates**") in exchange for their respective holdings of Book-Entry Interests if an Exchange Event occurs.

Any Definitive Residual Certificate issued in exchange for Residual Certificate Book-Entry Interests in the Global Residual Certificate will be registered by the Registrar in such name or names as the Issuer shall instruct the Registrar (based on the instructions of the relevant Clearing System(s)). It is expected that such instructions will be based upon directions received by the relevant Clearing Systems from their participants with respect to ownership of the relevant Residual Certificate Book-Entry Interests. Holders of Definitive Residual Certificates issued in exchange for Residual Certificate Book-Entry Interests in the Global Residual Certificate will not be entitled to exchange such Definitive Residual Certificates for Book-Entry Interests in the Global Residual Certificate. Any Residual Certificates issued in definitive form will be issued in registered form only.

So long as the Residual Certificates are represented in their entirety by the Global Residual Certificate held on behalf of any Clearing System, notices to the relevant Certificateholders shall be given by delivery of the relevant notice to the relevant Clearing System for communication by them to such Certificateholders. Any such notice shall be deemed to have been given to the relevant Certificateholders on the day on which said notice was given to the relevant Clearing System.

CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment, will be applicable to any notes represented by a note in global form and the Notes in definitive form issued in exchange for the Notes in global form and which will be endorsed on such notes.

The GBP 242,700,000 Class A Notes due 30 June 2027 (the "**Class A Notes**"), the GBP 69,300,000 Class B Notes due 30 June 2027 (the "**Class B Notes**"), the GBP 23,700,000 Class C Notes due 30 June 2027 (the "**Class C Notes**"), the GBP 11,000,000 Class D Notes due 30 June 2027 (the "**Class D Notes**"), the GBP 18,300,000 Class E Notes due 30 June 2027 ("**Class E Notes**") and the GBP 40,200,000 Class X Notes due 30 June 2027 ("**Class X Notes**"), together, the "**Notes**", are constituted by a trust deed (the "**Trust Deed**") dated on or about 12 July 2018 (the "**Closing Date**") between Azure Finance No. 1 plc (the "**Issuer**") and Citicorp Trustee Company Limited (the "**Note Trustee**", which expression will include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for, *inter alios*, the Noteholders (as defined in Condition 1 (*Form, denomination and title*)).

The Notes are secured pursuant to and on the terms set out in a deed of charge (the "**Deed of Charge**") dated on or about the Closing Date between the Issuer and Citicorp Trustee Company Limited (in this capacity, the "**Security Trustee**", which expression includes its permitted successors and assigns) on certain assets of the Issuer including, without limitation, the Issuer's rights, title, interest and benefit, present and future, in, under and to all its assets including the Issuer's rights, title, interest and benefit, present and future, in, under and to the Transaction Documents (as defined below) which include an agency agreement (the "**Agency Agreement**") dated on or about the Closing Date between the Issuer, the Note Trustee, the Security Trustee, Citibank, N.A., London Branch as paying agent (in such capacity, the "**Paying Agent**", which expression includes its permitted successors and assigns), and Citibank, N.A., London Branch as registrar (the "**Registrar**", which expression includes its permitted successors and assigns).

The security created under the Deed of Charge, and all further security created under such document, are together referred to as the "**Security**".

The Trust Deed, the Deed of Charge, the corporate services agreement dated on or about the Closing Date between, *inter alios*, the Issuer, Holdings and Intertrust Management Limited as corporate services provider (the "**Corporate Services Provider**", which expression includes its permitted successors and assigns) (the "**Corporate Services Agreement**"), a 1992 ISDA master agreement, the schedule thereto and the credit support annex thereunder (the "**Credit Support Annex**") each dated on or about 12 July 2018 and the interest rate cap confirmation between J.P. Morgan AG as cap provider (the "**Cap Provider**", which expression includes its permitted successors and assigns) and the Issuer (together, the "**Cap Agreement**"), the Agency Agreement, the Receivables Sale and Purchase Agreement (as defined below), the Servicing Agreement (as defined below), the Bank Account Agreement dated on or about the Closing Date between the Issuer, the Security Trustee and Citibank, N.A., London Branch as Account Bank (the "**Account Bank**", which expressions include its permitted successors and assigns) (the "**Bank Account Agreement**"), the cash management agreement dated on or about the Closing Date between, *inter alios*, the Issuer and Citibank, N.A., London Branch, as cash manager (the "**Cash Manager**"), (the "**Cash Management Agreement**"), the standby servicer agreement dated on or about the Closing Date between, *inter alios*, the Issuer, the Standby Servicer and the Servicer (the "**Standby Servicer Agreement**"), the Vehicle Declaration of Trust and the master definitions schedule dated on or about the Closing Date between, *inter alios*, the Issuer, the Seller, the Note Trustee and the Security Trustee (the "**Master Definitions Schedule**") are, together with the Receivables Sale and Purchase Agreement, the Servicing Agreement, the Netting Letter, these Conditions and the Residual Certificate Conditions (each as defined below) referred to as the "**Transaction Documents**". References to each of the Transaction Documents are to it as from time to time modified in accordance with its provisions and any deed or other document expressed to be supplemental to it, as from time to time so modified.

Statements in these terms and conditions (the "**Conditions**") are subject to the detailed provisions of the Trust Deed, the Deed of Charge, the Agency Agreement and the other Transaction Documents, copies of which are available for inspection at the specified office for the time being of the Paying Agent. The Holders of the Notes are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions contained in the Trust Deed, the Deed of Charge, and those applicable to them in the Agency Agreement and the other Transaction Documents.

References to "Conditions" are, unless the context otherwise requires, to the numbered paragraphs of these Conditions. Words and expressions used in these Conditions without definitions will have the meanings given to them in the Master Definitions Schedule.

The issue of the Notes and the Residual Certificates was authorised by a resolution of the board or directors of the Issuer passed on 6 July 2018.

1. **Form, denomination and title**

- (a) The Notes are issued in the following form:
- (i) the Class A Notes are issued in registered global form in the denomination of £100,000 and integral multiples of £1,000 in excess of £100,000, up to and including £199,000.
 - (ii) the Class B Notes are issued in registered global form in the denomination of £100,000 and integral multiples of £1,000 in excess of £100,000, up to and including £199,000.
 - (iii) the Class C Notes are issued in registered global form in the denomination of £100,000 and integral multiples of £1,000 in excess of £100,000, up to and including £199,000.
 - (iv) the Class D Notes are issued in registered global form in the denomination of £100,000 and integral multiples of £1,000 in excess of £100,000, up to and including £199,000.
 - (v) the Class E Notes are issued in registered global form in the denomination of £100,000 and integral multiples of £1,000 in excess of £100,000 up to and including £199,000.
 - (vi) the Class X Notes are issued in registered global form in the denomination of £100,000 and integral multiples of £1,000 in excess of £100,000 up to and including £199,000.
- (b) The Notes which are offered and sold outside the United States to non-U.S. persons in reliance on Regulation S will be represented by beneficial interests in Global Notes.
- (c) The Issuer will cause to be kept at the specified office of the Registrar a register (the "**Register**") on which will be entered the names and addresses of the Holders of the Notes and the particulars of such Notes held by them and all transfers, advances, payments (of interest and principal), repayments, redemptions, cancellations and replacements of such Notes. In these Conditions, "**Class A Notes**", "**Class B Notes**", "**Class C Notes**", "**Class D Notes**", "**Class E Notes**" or "**Class X Notes**" means, with respect to any Note, a Global Note or a Definitive Note, as the case may be and "**Class A Noteholder**", "**Class B Noteholder**", "**Class C Noteholder**", "**Class D Noteholder**", "**Class E Noteholder**" or "**Class X Noteholder**" means the Holder of a Class A Note, Class B Note, Class C Note, Class D Note, Class E Note or Class X Note, as applicable.

- (d) Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Note Trustee, the Registrar, the Paying Agent (notwithstanding any notice to the contrary and whether or not it is overdue and notwithstanding any notation of ownership or writing on any Note or notice of any previous loss or theft of any Note) may (i) for the purpose of making payment on or on account of any Note deem and treat the person (or, in the case of a joint holding, the first named person) in whose name any Global Note or Definitive Note is registered at that time in the Register (which will be conclusive evidence of such holding in the absence of manifest error, fraud or wilful default) as the absolute owner of such Note and all rights under such Note free from all encumbrances, and will not be required to obtain further proof of such ownership or as to the identity of the registered holder of any Global Note or Definitive Note and (ii) for all other purposes deem and treat the person in whose name any Global Note or Definitive Note is registered at the relevant time in the Register as the absolute owner of and of all rights under such Note free from all encumbrances and will not be required to obtain further proof of such ownership or as to the identity of the registered holder of any Global Note or Definitive Note. Notwithstanding the above, so long as any of the Notes are represented by a Global Note, the terms "**Noteholders**" or "**Holders**" will include the persons then set out in the records of Euroclear and/or Clearstream, Luxembourg, as the holders of a particular principal amount of such Notes in units of £1,000 principal amount of Notes for all purposes other than in respect of the payment of principal and interest on such Notes, the right to which will be vested as against the Issuer solely in the holder of each Global Note in accordance with and subject to its terms.
- (e) A Note is not transferable except in accordance with the restrictions described in these Conditions and in the Trust Deed and the Agency Agreement. Any sale or transfer in violation of the foregoing will be of no force and effect, will be void *ab initio*, and will not operate to transfer any rights to the transferee, notwithstanding any instructions to the contrary given by the Issuer, the Note Trustee or any intermediary. Each transferor of a Note agrees to provide notice of the transfer restrictions set out in these Conditions and in the Trust Deed to the transferee.
- (f) No transfer of Notes will be valid unless entered on the Register and no transfer of Notes will be registered for a period of two Business Days immediately preceding each Interest Payment Date of any of the relevant Notes.
- (g) Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class X Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedure for the time being of Clearstream, Luxembourg and Euroclear, as the case may be.

2. **Status and Security**

(a) **Status**

The Notes constitute secured, limited recourse obligations of the Issuer, ranking, as between each Class, *pro rata* and *pari passu* without any preference among themselves subject as provided in these Conditions.

(b) **Security**

As security for the Secured Obligations, the Issuer has entered into the Deed of Charge as described above creating the Security as described above in favour of the Security Trustee for itself and on trust for the Secured Creditors.

(c) **Application of proceeds**

The Issuer will use the net proceeds of the issue of the Notes and the Residual Certificates to finance the purchase from BMFL (the "**Seller**"), of a portfolio of Receivables and their Ancillary Rights pursuant to an agreement dated on or about the Closing Date between the Seller, the Issuer, the Security Trustee and the Note Trustee (the "**Receivables Sale and Purchase Agreement**"). The Seller will continue to administer and collect the Purchased Receivables as agent for the Issuer in its capacity as servicer ("**Servicer**", which expression includes its permitted successors and assigns) under a Servicing Agreement dated on or about the Closing Date between the Servicer, the Issuer, the Note Trustee and the Security Trustee (the "**Servicing Agreement**").

The Issuer has entered into the Cap Agreement with the Cap Provider, under which the Issuer will pay to the Cap Provider (or there will be paid to the Cap Provider on the Issuer's behalf) the Cap Premium on or about the Closing Date and the Cap Provider will pay to the Issuer on each Interest Payment Date certain amounts calculated by reference to the percentage by which LIBOR exceeds the Cap Rate under the Cap Agreement on the notional amount for the relevant Interest Period as set out in the amortisation schedule appended to the interest rate cap transaction confirmation. If the Cap Agreement is terminated prior to the redemption of the Floating Rate Notes in full a termination payment may be due from the Cap Provider to the Issuer.

(d) **Pre-Acceleration Revenue Priority of Payments**

On each Interest Payment Date falling prior to the service of a Note Acceleration Notice on the Issuer by the Note Trustee, the Issuer will distribute the Available Revenue Receipts (other than the amounts referred to in paragraph (g) of that definition) on each Interest Payment Date in accordance with the following Pre-Acceleration Revenue Priority of Payments (in each case only if and to the extent that payments or provisions of higher priority have been paid in full):

- (a) first, for the Issuer to retain as profit the Issuer Profit Amount on the Issuer Profit Ledger from which the Issuer will discharge its corporate income or corporation tax liability (if any);
- (b) then, *pro rata* and *pari passu*, to pay all amounts due under the Transaction Documents to the Security Trustee and any Receiver or to the Note Trustee on account of their fees and expenses (including any legal fees and expenses), claims, costs, liabilities or any indemnity payments plus any tax on any of the foregoing;
- (c) then, *pro rata* and *pari passu*, to pay:
 - (i) the Senior Expenses then due or overdue by the Issuer (excluding any amounts paid under item (b));
 - (ii) any amount due from the Issuer to the Rating Agencies as surveillance or monitoring fees or to the Irish Listing Agent or Euronext Dublin as fees and expenses in connection with the maintenance of the listing of the Notes, together with any amount in respect of VAT (if any) on those amounts;
 - (iii) any fees, costs, taxes (including VAT but excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses, indemnity payments and other amounts properly due and payable to the directors of the Issuer (properly incurred with respect to their duties), legal advisers, tax advisers or auditors of the Issuer, and any other amounts due and

payable by the Issuer to third parties in connection with the Issuer's ownership of the Purchased Receivables, the Notes, the establishment, liquidation and/or dissolution of the Issuer, or any annual return, filing, registration and registered office or other company, licence or statutory fees in England (excluding any amounts expressly payable as Senior Expenses); and

- (iv) any amounts due and payable by the Issuer to the Cap Provider as Interest Amounts (as defined in the Cap Agreement) not otherwise discharged by the Issuer on such Interest Payment Date;
- (d) then, *pro rata* and *pari passu*, to pay the Class A Noteholders any due and payable Class A Interest Amount on the Class A Notes and any Class A Interest Shortfall;
- (e) then, to the Reserve Fund Ledger (Class A) in an amount up to the amount required to make the balance of the Reserve Fund Ledger (Class A) equal to the Reserve Fund Required Amount (Class A) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (e));
- (f) then, an amount sufficient to eliminate any debit on the Principal Deficiency Sub-ledger (Class A) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (f));
- (g) then, *pro rata* and *pari passu*, to pay the Class B Noteholders any due and payable Class B Interest Amount on the Class B Notes and any Class B Interest Shortfall;
- (h) then to the Reserve Fund Ledger (Class B) in an amount up to the amount required to make the balance of the Reserve Fund Ledger (Class B) equal to the Reserve Fund Required Amount (Class B) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (h));
- (i) then, an amount sufficient to eliminate any debit on the Principal Deficiency Sub-ledger (Class B) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (i));
- (j) then, *pro rata* and *pari passu*, to pay the Class C Noteholders any due and payable Class C Interest Amount on the Class C Notes and any Class C Interest Shortfall;
- (k) then, to the Reserve Fund Ledger (Class C) in an amount up to the amount required to make the balance of the Reserve Fund Ledger (Class C) equal to the Reserve Fund Required Amount (Class C) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (k));
- (l) then, an amount sufficient to eliminate any debit on the Principal Deficiency Sub-ledger (Class C) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (l));
- (m) then, *pro rata* and *pari passu*, to pay the Class D Noteholders any due and payable Class D Interest Amount on the Class D Notes and any Class D Interest Shortfall;

- (n) then, to the Reserve Fund Ledger (Class D) in an amount up to the amount required to make the balance of the Reserve Fund Ledger (Class D) equal to the Reserve Fund Required Amount (Class D) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (n));
- (o) then, an amount sufficient to eliminate any debit on the Principal Deficiency Sub-ledger (Class D) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (o));
- (p) then, *pro rata* and *pari passu*, to pay the Class E Noteholders any due and payable Class E Interest Amount on the Class E Notes and any Class E Interest Shortfall;
- (q) then, to the Reserve Fund Ledger (Class E) in an amount up to the amount required to make the balance of the Reserve Fund Ledger (Class E) equal to the Reserve Fund Required Amount (Class E) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (q));
- (r) then, an amount sufficient to eliminate any debit on the Principal Deficiency Sub-ledger (Class E) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (r));
- (s) then, *pro rata* and *pari passu*, to pay the Class X Noteholders any due and payable Class X Interest Amount on the Class X Notes and any Class X Interest Shortfall;
- (t) then, *pro rata* and *pari passu*, to pay the Class X Noteholders, in accordance with the respective amounts thereof, principal on the Class X Notes;
- (u) then, to pay any indemnity payments to any party under the Transaction Documents not otherwise payable above; and
- (v) then, *pro rata* and *pari passu*, to pay all remaining amounts to the Certificateholders as the Residual Certificate Payments.

On each Interest Payment Date falling prior to the earlier of (i) the service of a Note Acceleration Notice on the Issuer by the Note Trustee, (ii) the date on which the Aggregate Outstanding Principal Balance is zero and (iii) the Legal Maturity Date, if the Cash Manager determines that there will be an Interest Collection Shortfall following the application of the Available Revenue Receipts (other than amounts referred to in item (g) of that definition) on such Interest Payment Date the Issuer shall apply the Reserve Fund Release Amount (as item (g) of the Available Revenue Receipts) in the following order:

- (i) first, to pay any amounts remaining due and payable under items (a) to (d) (inclusive) above in each case only if and to the extent that payments or provisions of higher priority have been paid in full up to the balance standing to the credit of the Reserve Fund Ledger (Class A);
- (ii) second, to pay any amounts remaining due and payable under items (a) to (c) (inclusive) and (g) above up to the balance standing to the credit of the Reserve Fund Ledger (Class B);

- (iii) third, to pay any amounts remaining due and payable under items (a) to (c) (inclusive) and (j) above up to the balance standing to the credit of the Reserve Fund Ledger (Class C);
- (iv) fourth, to pay any amounts remaining due and payable under items (a) to (c) (inclusive) and (m) above up to the balance standing to the credit of the Reserve Fund Ledger (Class D); and
- (v) fifth, to pay any amounts remaining due and payable under items (a) to (c) (inclusive) and (p) above up to the balance standing to the credit of the Reserve Fund Ledger (Class E).

The Reserve Fund Release Amount shall only be applied in meeting such Interest Collection Shortfall against the relevant items referred to in items (i) to (v) above.

(e) **Pre-Acceleration Principal Priority of Payments**

On each Interest Payment Date falling prior to the service of a Note Acceleration Notice on the Issuer by the Note Trustee, the Issuer will distribute the Available Principal Receipts on each Interest Payment Date in accordance with the following Pre-Acceleration Principal Priority of Payments (in each case only if and to the extent that payments or provisions of higher priority have been paid in full):

- (a) first, *pro rata* and *pari passu*, to pay the Class A Noteholders, in accordance with the respective amounts thereof, principal on the Class A Notes;
- (b) then, *pro rata* and *pari passu*, to pay the Class B Noteholders, in accordance with the respective amounts thereof, principal on the Class B Notes;
- (c) then, *pro rata* and *pari passu*, to pay the Class C Noteholders, in accordance with the respective amounts thereof, principal on the Class C Notes;
- (d) then, *pro rata* and *pari passu*, to pay the Class D Noteholders, in accordance with the respective amounts thereof, principal on the Class D Notes;
- (e) then, *pro rata* and *pari passu*, to pay the Class E Noteholders, in accordance with the respective amounts thereof, principal on the Class E Notes; and
- (f) then, to apply any remaining amounts as Available Revenue Receipts ("**Surplus Available Principal Receipts**").

(f) **Enforcement of the Security**

Following the occurrence of an Event of Default and the service of a Note Acceleration Notice in accordance with Condition 10 (*Events of Default*) below the Security will become enforceable and the Note Trustee may at its discretion direct the Security Trustee to take action to enforce the Security, and will direct the Security Trustee to take such action to enforce the Security as directed by the holders of at least 25% in aggregate Outstanding Note Principal Amount of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes.

Thereafter, the Note Trustee may at any time, at its discretion (and will do so if it has been directed to do so by the holders of at least 25% in aggregate Outstanding Note Principal Amount of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes at the relevant date), and without notice and in such manner as it deems appropriate:

- (i) take such proceedings and/or other steps as it may deem appropriate against or with respect to the Issuer or any other person to enforce its obligations under the Trust Deed, the Transaction Documents or these Conditions and/or take any other proceedings (including lodging an appeal in any proceedings) with respect to or concerning the Issuer; and/or
- (ii) exercise any of its rights under, or in connection with the Trust Deed or any other Transaction Document; and/or
- (iii) give any directions to the Security Trustee under or in connection with any Transaction Document.

To the extent that the Note Trustee acts in accordance with such directions of the Most Senior Class of Notes, as described above, it will have no obligation to take the interests of any other party into account or to follow any direction given by any other party.

(g) **Post-Acceleration Priority of Payments**

The Deed of Charge sets out the priority of distribution by the Security Trustee, following the service of a Note Acceleration Notice on the Issuer (known as the "**Post-Acceleration Priority of Payments**"), of amounts received or recovered by the Security Trustee (or a receiver appointed on its behalf).

The Security Trustee will apply amounts (other than amounts representing (i) any Excess Cap Collateral which shall be returned directly to the Cap Provider (and for the avoidance of doubt, such payment shall be without regard to the relevant Priority of Payments) and (ii) in respect of the Cap Provider, prior to the designation of an early termination date under the Cap Agreement and the resulting application of the collateral by way of netting or set-off, an amount equal to the value of all Cap Collateral (other than Excess Cap Collateral) (and any interest or distributions in respect thereof)) received or recovered following enforcement of the Security in the following order of priority (in each case only if and to the extent that payments or provisions of higher priority have been paid in full):

- (a) first, *pro rata* and *pari passu*, to pay all amounts due under the Transaction Documents to the Security Trustee and any Receiver or to the Note Trustee on account of their fees and expenses (including any legal fees and expenses), claims, costs, liabilities or any indemnity payments plus any tax on any of the foregoing;
- (b) then, *pro rata* and *pari passu*, to pay the Senior Expenses then due or overdue by the Issuer (excluding any amounts paid under item (a) above);
- (c) then, *pro rata* and *pari passu*, to pay the Class A Noteholders amounts in respect of interest and principal due and payable on the Class A Notes until the Class A Notes are redeemed in full;
- (d) then, *pro rata* and *pari passu*, to pay the Class B Noteholders amounts in respect of interest and principal due and payable on the Class B Notes until the Class B Notes are redeemed in full;
- (e) then, *pro rata* and *pari passu*, to pay the Class C Noteholders amounts in respect of interest and principal due and payable on the Class C Notes until the Class C Notes are redeemed in full;

- (f) then, *pro rata* and *pari passu*, to pay the Class D Noteholders amounts in respect of interest and principal due and payable on the Class D Notes until the Class D Notes are redeemed in full;
- (g) then, *pro rata* and *pari passu*, to pay the Class X Noteholders amounts in respect of interest and principal due and payable on the Class X Notes until the Class X Notes are redeemed in full;
- (h) then, *pro rata* and *pari passu*, to pay the Class E Noteholders amounts in respect of interest and principal due and payable on the Class E Notes until the Class E Notes are redeemed in full;
- (i) then, for the Issuer to retain as profit the Issuer Profit Amount and to pay any corporate income or corporation tax liability not otherwise able to be paid from the Issuer Profit Ledger; and
- (j) then, *pro rata* and *pari passu*, to pay all remaining amounts to the Certificateholders as the Residual Certificate Payments.

(h) **Shortfall after application of proceeds**

If the net proceeds of the Security being enforced and liquidated in accordance with the Deed of Charge are not sufficient, after payment of all other claims ranking in priority to the Notes, to cover all payments due on the Notes, the obligations of the Issuer under the Notes will be limited to such net proceeds and such net proceeds will be applied in accordance with the Deed of Charge and no other assets of the Issuer will be available for any further payments on the Notes. The right to receive any further payments of any such shortfall remaining after enforcement of the Security and application of the proceeds of the Security in accordance with the Post-Acceleration Priority of Payments will be extinguished.

(i) **Relationship between the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes**

- (i) The Notes within each Class will rank *pari passu* and rateably without any preference or priority among themselves as to payments of interest and principal at all times.
- (ii) Payments of principal on the Class A Notes will at all times rank in priority to payments of principal on the Class B Notes, payments of principal on the Class B Notes will at all times rank in priority to payments of principal on the Class C Notes, payments of principal on the Class C Notes will at all times rank in priority to payments of principal on the Class D Notes, payments of principal on the Class D Notes will at all times rank in priority to payments of principal on the Class E Notes, payment of principal on the Class E Notes will prior to service of a Note Acceleration Notice rank in priority to payments of interest and principal on the Class X Notes using Available Revenue Receipts, and payments of principal on the Class X Notes using Available Revenue Receipts will at all times rank in priority to payments on the Residual Certificates, in each case in accordance with the applicable Priority of Payment.
- (iii) Payments of interest on the Class A Notes will at all times rank in priority to payments of interest on the Class B Notes, payments of interest on the Class B Notes will at all times rank in priority to payments of interest on the Class C Notes, payments of interest on the Class C Notes will at all times rank in priority to payments of interest on the Class D Notes, payments of interest on

the Class D Notes will at all times rank in priority to payments of interest on the Class E Notes, payments of interest on the Class E Notes will prior to service of a Note Acceleration Notice rank in priority to payments of interest (and principal) on the Class X Notes, payments of interest on the Class X Notes will at all times rank in priority to payments on the Residual Certificates, in each case in accordance with the applicable Priority of Payment.

- (iv) The Residual Certificates are subordinate to all payments due in respect of the Notes.
- (v) If the Issuer does not have sufficient Available Revenue Receipts on the relevant Interest Payment Date to meet interest payments on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class X Notes and the Class E Notes in full, any shortfall will first be borne by the Class X Notes and, to the extent that interest due on the Class X Notes on such Interest Payment Date is less than such shortfall, it will secondly be borne by the Class E Notes and, to the extent that interest due on the Class X Note and the Class E Notes on such Interest Payment Date is less than such shortfall, it will thirdly be borne by Class D Notes, and to the extent that interest due on the Class X Notes, the Class E Notes and the Class D Notes on such Interest Payment Date is less than such shortfall, it will fourthly be borne by the Class C Notes and, to the extent that interest due on the Class X Notes, the Class E Notes, the Class D Notes and the Class C Notes on such Interest Payment Date is less than such shortfall, it will fifthly be borne by the Class B Notes and, to the extent that interest due on the Class X Notes, Class E Notes, the Class D Notes, the Class C Notes and the Class B Notes on such Interest Payment Date is less than such shortfall, it will sixthly be borne by the Class A Notes, in each case *pro rata* and *pari passu* between the Notes of such Class.
- (vi) No amount of principal of the Class B Notes will become due and payable until redemption and payment in full of the Class A Notes. No amount of principal of the Class C Notes will become due and payable until redemption and payment in full of the Class A Notes and the Class B Notes. No amount of principal of the Class D Notes will become due and payable until redemption and payment in full of the Class A Notes, the Class B Notes and the Class C Notes. No amount of principal of the Class E Notes will become due and payable until redemption and payment in full of the Class A Notes, the Class B Notes, Class C Notes and Class D Notes. Principal on the Class X Notes will become due and payable to the extent there are sufficient amounts available under the Pre-Acceleration Revenue Priority of Payment whether or not the other Classes of Notes have been redeemed in full.
- (vii) The Trust Deed contains provisions requiring the Note Trustee to take into account the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class X Noteholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee (except where expressly provided otherwise), but requiring the Note Trustee in any such case, for so long as any Class A Notes remain outstanding, to take into account only the interests of the Class A Noteholders if, in the opinion of the Note Trustee there is a conflict between the interests of the Class A Noteholders and the interests of the Class B Noteholders and/or the Class C Noteholders and/or the Class D Noteholders and/or Class E Noteholders and/or Class X Noteholders and/or the interests of the Certificateholders and, following the redemption in full of the Class A Notes, to take into account only the interests of the Class B

Noteholders if, in the opinion of the Note Trustee, there is a conflict between the interests of the Class B Noteholders and the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class E Noteholders and/or the interests of the Class X Noteholders and/or the interests of the Certificateholders and following the redemption in full of the Class A Notes and the Class B Notes, to take into account only the interests of the Class C Noteholders, if in the opinion of the Note Trustee, there is a conflict between the interests of the Class C Noteholders and the interests of the Class D Noteholders, and/or the interests of the Class E Noteholders and/or the interests of the Class X Noteholders and/or the interests of the Certificateholders, and following the redemption in full of the Class A Notes, the Class B Notes and the Class C Notes, to take into account only the interests of the Class D Noteholders, if in the opinion of the Note Trustee, there is a conflict between the interests of the Class D Noteholders and the interests of the Class E Noteholders and/or the interests of the Class X Noteholders and/or the interests of the Certificateholders, and following the redemption in full of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, to take into account only the interests of the Class X Noteholders, if in the opinion of the Note Trustee, there is a conflict between the interests of the Class X Noteholders and the interests of the Class E Noteholders and/or the interests of the Certificateholders, and following the redemption in full of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class X Notes, to take into account only the interests of the Class E Noteholders, if in the opinion of the Note Trustee, there is a conflict between the interests of the Class E Noteholders and the interests of the Certificateholders.

(viii) No Class of Noteholders may request or direct the Note Trustee or the Issuer to take any action or pass any effective Extraordinary Resolution if the effect of the same would, in the sole opinion of the Note Trustee, be materially prejudicial to the interests of any more senior ranking Class of Noteholders, and neither the Note Trustee nor the Issuer will be responsible to such Class of Noteholders for disregarding any such request, direction or resolution.

(j) **Assumption of no material prejudice**

The Note Trustee will be entitled to assume, for the purposes of exercising any right, power, duty or discretion under or with respect to these Conditions, the Trust Deed, the Deed of Charge or any of the other Transaction Documents or for the purposes of paragraphs (v), (vi) or (vii) of Condition 2(i) (*Relationship between the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes*), that to do so will not be materially prejudicial to the interests of the Noteholders or the relevant Class (i) if it has obtained the consent of the Noteholders of the relevant Class or (ii) if the Note Trustee is satisfied that the current ratings of the Notes will not be affected or (iii) with respect to a non-economic or non-financial matter, if the Note Trustee obtains an opinion of counsel to such effect.

3. **Covenants**

3.1 So long as any of the Notes remains outstanding, the Issuer shall:

(a) comply with and perform all its obligations under the Transaction Documents and use all reasonable endeavours to procure that each party to any of the Transaction Documents complies with and performs all their respective obligations thereunder;

- (b) at all times use all reasonable endeavours to procure that a Servicer is appointed in accordance with the terms of the Servicing Agreement and that a Cash Manager is appointed in accordance with the terms of the Cash Management Agreement;
- (c) at all times procure that hedging arrangements on terms substantially similar to those in the Cap Agreement are maintained by it; and
- (d) at all times ensure that its central management and control is exercised in the United Kingdom.

3.2 So long as any of the Notes remains outstanding, the Issuer will not without the prior consent of the Note Trustee, unless otherwise provided by these Conditions or the Transaction Documents:

- (a) carry on any business other than performing its functions and duties and discharging its obligations and liabilities set out in the Transaction Documents and with respect to that business will not engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or do anything except:
 - (i) finance, acquire, hold and dispose of the Purchased Receivables;
 - (ii) issue, enter into, amend, exchange, repurchase or cancel the Notes and/or the Residual Certificates;
 - (iii) enter into, amend, consent to any variation of, or release any party from any obligation under, any of the Notes, the Residual Certificates, the Transaction Documents and agreements relating or incidental to the issue and constitution of, and the granting of security for, the Notes and the Residual Certificates;
 - (iv) own and exercise its rights with respect to the Security and its interests in the Security and perform its obligations with respect to the Security and the Transaction Documents;
 - (v) preserve and/or exercise and/or enforce any of its rights and perform and observe its obligations under the Notes, the Residual Certificates, the Transaction Documents and agreements relating or incidental to the issue and constitution of, and the granting of security for the Notes and the Residual Certificates;
 - (vi) use any of its property or assets in the manner provided in or contemplated by the Transaction Documents; and
 - (vii) perform any other act incidental to or necessary in connection with the above;
- (b) have any employees or own any premises;
- (c) incur any financial indebtedness with respect to borrowed money or give any guarantee or indemnity in respect of any financial indebtedness or of any other obligation of any person or enter into any hedging or derivative contract except under the Notes and the Residual Certificates or pursuant to the Transaction Documents;
- (d) create or permit any mortgage, charge, pledge, lien or any encumbrance or other security interest over, any of, its assets or undertaking (other than for the avoidance of doubt, any security created pursuant to the Deed of Charge or as expressly contemplated by the Transaction Documents);

- (e) permit the validity or effectiveness of or the priority of the Security created by the Deed of Charge or the priority of any security interests created or evidenced thereby to be amended, varied, terminated, postponed or discharged, or permit any person or any party to any of the Transaction Documents to which it is a party whose obligations form part of the Security to be released from such obligations;
- (f) transfer, sell, lend, use, invest, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets or undertakings or any interest, estate, right, title or benefit therein;
- (g) pay any dividend or make any other distribution to its shareholders or issue any further shares other than payment of dividends in any accounting period which do not exceed the aggregate amount left to the Issuer after Tax (if any) is charged on the Issuer Profit Amount;
- (h) commingle its property or assets with the property or assets of any other person;
- (i) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any person;
- (j) have any subsidiaries or subsidiary undertakings (each as defined in the Companies' Act 2006);
- (k) have an "establishment" (as defined in the EU Insolvency Regulation, the Recast Insolvency Regulation and the UNCITRAL Implementing Regulations) or take any action that will cause its "centre of main interests" (for the purposes of the EU Insolvency Regulation, the Recast Insolvency Regulation and the UNCITRAL Implementing Regulations) to be located in any jurisdiction other than the United Kingdom or register as a company in any jurisdiction other than England;
- (l) issue any shares in the Issuer (other than such shares as are in issue as at the Closing Date);
- (m) permit any of the Transaction Documents to which it is a party to become invalid or ineffective or exercise any right to terminate any of the Transaction Documents to which it is a party;
- (n) have an interest in any bank account other than the Issuer Accounts and (under the Collection Account Declarations of Trust) the Collection Accounts, open any further account for the purposes of depositing any monies it receives in connection with the Transaction Documents, unless such account is secured in favour of the Security Trustee for the benefit of the Secured Creditors;
- (o) agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Transaction Documents to which it is a party;
- (p) permit any person or any party to any of the Transaction Documents to which it is a party to be released from its obligations;
- (q) prejudice its eligibility for its corporation tax liability to be calculated in accordance with regulation 14 of the TSC Regulations;
- (r) acquire obligations or securities of its officers or shareholders; and
- (s) amend its articles of association or any of its other constitutional documents.

3.3 In giving its consent to the foregoing, the Note Trustee may require the Issuer to amend the Transaction Documents and/or may impose such other conditions as it deems to be in the interests of the Noteholders, in accordance with Condition 12 (*Meetings of Noteholders, amendments, waiver, substitution and exchange*) below.

4. **Interest**

(a) **Interest calculation**

Each Note shall bear interest on its Outstanding Note Principal Amount from the Closing Date until the close of the day preceding the day on which such Note has been redeemed in full at the rate *per annum* (expressed as a percentage) equal to the Interest Rate (calculated in the manner set out in Condition 4(e) (*Calculations*)), payable in arrear on each Interest Payment Date from (and including) the Closing Date, subject to Condition 6 (*Additional interest and subordination*).

Interest due on an Interest Payment Date will accrue on the Outstanding Note Principal Amount of each Note at the beginning of the relevant Interest Period.

Interest will cease to accrue on each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption unless any amount due remains outstanding, in which case interest will continue to accrue on the unpaid amount of principal (as well after as before judgment) until the Relevant Date at the rate determined daily by the Cash Manager in its sole discretion to be the rate for overnight deposits in Sterling. Such interest will be added annually to the overdue sum and will itself bear interest accordingly, at the rates for overnight deposits so determined.

(b) **Interest Period**

"**Interest Period**" means, in respect of the first Interest Payment Date, the period commencing on (and including) the Closing Date and ending on (but excluding) the first Interest Payment Date and in respect of any subsequent Interest Payment Date, the period commencing on (and including) the immediately preceding Interest Payment Date and ending on (but excluding) such Interest Payment Date, provided that the last Interest Period shall end on (but exclude) the Legal Maturity Date or, if earlier, the date on which all Notes are redeemed in full.

(c) **Interest Rate**

The Interest Rate for each Interest Period will be with respect to:

- (i) each Class A Note on the first day of the relevant Interest Period, one-month LIBOR plus 0.80% *per annum*, provided that if LIBOR plus the margin for the Class A Notes is less than zero, the Interest Rate will be deemed to be zero (the "**Class A Interest Rate**");
- (ii) each Class B Note on the first day of the relevant Interest Period, one-month LIBOR plus 1.55% *per annum*, provided that if LIBOR plus the margin for the Class B Notes is less than zero, the Interest Rate will be deemed to be zero (the "**Class B Interest Rate**");
- (iii) each Class C Note on the first day of the relevant Interest Period, one-month LIBOR plus 2.15% *per annum*, provided that if LIBOR plus the margin for the Class C Notes is less than zero, the Interest Rate will be deemed to be zero (the "**Class C Interest Rate**");

- (iv) each Class D Note on the first day of the relevant Interest Period, one-month LIBOR plus 3.00% per annum, provided that if LIBOR plus the margin for the Class D Notes is less than zero, the Interest Rate will be deemed to be zero (the "**Class D Interest Rate**");
- (v) each Class E Note on the first day of the relevant Interest Period, 6.00% *per annum* (the "**Class E Interest Rate**"); and
- (vi) each Class X Note on the first day of the relevant Interest Period, one-month LIBOR plus 3.50% per annum, provided that if LIBOR plus the margin for the Class X Notes is less than zero, the Interest Rate will be deemed to be zero (the "**Class X Interest Rate**").

(d) **LIBOR determination**

On each Interest Determination Date the Interest Determination Agent will determine the offered rate for one month Sterling LIBOR, in each case, as at 11.00am (London time) on the Interest Determination Date in question.

- (i) For such purposes "**LIBOR**" will be the London interbank offered rate for deposits in Pounds Sterling having a one month maturity and, for the first Interest Period, the rate which represents the linear interpolation of LIBOR for one and two month deposits in Pounds Sterling, rounded, if necessary, to the third decimal place with 0.0005 being round upwards, which appears on page LIBOR01 of the Reuters screen service as of 11.00 am, London time (the "**Relevant Time**") on such Interest Determination Date. As used in this Condition 4(d), "**page LIBOR01**" means the display page so designated on the Reuters screen service administered by ICE Benchmark Administration Limited (or such other page as may replace that page on that service or such other service or services as may be nominated for the purpose of displaying London interbank offered rates for Pounds Sterling deposits) (the "**Administrator**").
- (ii) With respect to an Interest Determination Date for which LIBOR does not appear on page LIBOR01 of the Reuters screen service, LIBOR will be determined on the basis of the rates at which deposits in Pounds Sterling are offered by four major banks in the London interbank market selected by the Issuer and notified to the Interest Determination Agent (the "**Reference Banks**") at approximately the Relevant Time on the Interest Determination Date to prime banks in the London interbank market for a period of one month commencing on such Interest Determination Date and in a principal amount equal to an amount that is representative for a single transaction in such market at such time. The Interest Determination Agent will request the principal London office of each such Reference Bank to provide a quotation of its rate. If at least two such quotations are provided, LIBOR on such Interest Determination Date will be the arithmetic mean (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards) of such quotations. If fewer than two such quotations are provided, LIBOR on such Interest Determination Date will be the arithmetic mean (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards) of the rates quoted by major banks in London selected by the Issuer and notified to the Interest Determination Agent at approximately 11.00 am, London time, on such Interest Determination Date for receivables in Pounds Sterling for a period of one month commencing on such day and in a principal amount equal to an amount that is representative for a single transaction in such market at such time to leading European

banks; provided, however, that if the banks in London selected as aforesaid by the Issuer are not quoting as mentioned in this sentence, the Interest Rate will be the Interest Rate in effect on the day immediately preceding such Interest Determination Date.

- (iii) On the occurrence of the events described in Condition 12(b)(ii)(9) (*Amendments and waiver*) (the "**Relevant Time**"), the Issuer (acting on the advice of the Servicer) shall, without undue delay, use commercially reasonable endeavours to propose an Alternative Benchmark Rate in accordance with Condition 12(b)(ii)(9) (*Amendments and waiver*) (the "**Relevant Condition**"). For the avoidance of doubt, if an Alternative Benchmark Rate proposed by or on behalf of the Issuer (including any Alternative Benchmark Rate which was proposed prior to the Relevant Time pursuant to the Relevant Condition) has failed to be implemented in accordance with the Relevant Condition as a result of Noteholder objections to the modification, the Issuer shall not be obliged to propose an Alternative Benchmark Rate under this Condition 4(d).

(e) **Calculations**

- (i) The amount of interest payable on each Note for any Interest Period (the "**Interest Amount**") will be calculated by taking the aggregate of (1) the product of the relevant Interest Rate, the Outstanding Note Principal Amount of such Note at the beginning of such Interest Period and the Day Count Fraction and (2) any Interest Shortfall and rounding the resultant figure to the nearest whole penny (half a penny being rounded upwards).
- (ii) The Class A Interest Rate, the Class B Interest Rate, the Class C Interest Rate, the Class D Interest Rate, the Class E Interest Rate, the Class X Interest Rate and Interest Amounts to be paid on the Notes for each Interest Period will be determined by the Cash Manager. All calculations made by the Cash Manager will (in the absence of manifest or proven error) be conclusive for all purposes and binding on the Note Trustee, the Noteholders and all other parties.
- (iii) If the Cash Manager does not at any time for any reason determine the Class A Interest Rate, the Class B Interest Rate, the Class C Interest Rate, the Class D Interest Rate, the Class E Interest Rate, the Class X Interest Rate or any Interest Amount for any Note in accordance with the foregoing Conditions, the Note Trustee or its appointed agent will (1) determine the Class A Interest Rate, the Class B Interest Rate, the Class C Interest Rate, the Class D Interest Rate, the Class E Interest Rate and the Class X Interest Rate at such rates as, in its absolute discretion (taking into account as it will think fit to the procedure described above), it will deem fair and reasonable in all the circumstances and/or (as the case may be) (2) calculate the Interest Amount for each Class in the manner specified in this Condition 4(e), and any such determination and/or calculation will be deemed to have been made by the Cash Manager.

(f) **Determination and publication of the Class A Interest Rate, the Class B Interest Rate, the Class C Interest Rate, the Class D Interest Rate, the Class E Interest Rate, the Class X Interest Rate and the Interest Amounts**

With respect to each Interest Payment Date, on the Calculation Date preceding such Interest Payment Date, the Cash Manager shall notify the Issuer, the Corporate Services Provider, the Cap Provider, the Paying Agent, the Note Trustee and, on behalf of the Issuer, by means of notification in accordance with Condition 15

(Notices), the Noteholders, and for so long as any of the Notes are listed on the official list and are admitted to trading on the regulated market of Euronext Dublin through the Paying Agent, of the following:

- (i) the amount of principal payable in respect of each Class A Note, each Class B Note, each Class C Note, each Class D Note, each Class E Note and each Class X Note pursuant to Condition 5 (*Redemption*) and the Interest Periods, the Class A Interest Amount, the Class B Interest Amount, the Class C Interest Amount, the Class D Interest Amount, the Class E Interest Amount and Class X Interest Amount pursuant to Condition 4 (*Interest*) in accordance with the applicable Priority of Payments and subject to the Available Principal Receipts (or, in the case of the Class X Interest Amount, Available Revenue Receipts) to be paid on such Interest Payment Date;
- (ii) the Aggregate Outstanding Note Principal Amount of Class A Notes, the Aggregate Outstanding Note Principal Amount of Class B Notes, the Aggregate Outstanding Note Principal Amount of Class C Notes, the Aggregate Outstanding Note Principal Amount of Class D Notes, the Aggregate Outstanding Note Principal Amount of Class E Notes and the Aggregate Outstanding Note Principal Amount of Class X Notes as from such Interest Payment Date;
- (iii) in the event of the final payment in respect of the Notes pursuant to Condition 5 (*Redemption*), the fact that such payment is the final payment; and
- (iv) in the event of the payment of interest and redemption after the occurrence of an Enforcement Event, the amounts of interest and principal to be paid in accordance with Condition 10 (*Events of Default*).

5. **Redemption**

(a) **Final redemption**

Unless previously redeemed in full as provided below, the Issuer will redeem the Notes at their respective Outstanding Note Principal Amount on the Legal Maturity Date.

The Issuer may not redeem the Notes in whole or in part prior to the Legal Maturity Date except as provided in Condition 5(b) (*Redemption for taxation reasons*), Condition 5(c) (*Mandatory early redemption in part*) and Condition 5(d) (*Clean-Up Call*) but without prejudice to Condition 10 (*Events of Default*).

(b) **Redemption for taxation reasons**

If, following a change of applicable law, regulation or interpretation of such law or regulation after the Closing Date, the Issuer is, on the occasion of any future payment due on the Notes, required to deduct, withhold or account for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the United Kingdom or any political sub-division thereof or any authority thereof or therein having power to tax or any other tax authority outside the United Kingdom, so that:

- (i) the Issuer is unable to make payment of the full amount due on the Notes or the cost to the Issuer of making payments on the Notes or of complying with its obligations under or in connection with the Notes would be materially increased;

- (ii) the operating or administrative expenses of the Issuer would be materially increased; or
- (iii) the Issuer would be obliged to make any material payment on, with respect to, or calculated by reference to, its income or any sum received or receivable by or on behalf of the Issuer from the Security or any of it,

the Issuer will promptly so inform the Note Trustee and will use its reasonable endeavours (which will not require it to incur any loss, excluding immaterial, incidental expenses) to determine within 20 calendar days of such circumstance occurring whether it would be practicable to arrange the substitution of a company incorporated in another jurisdiction approved by the Note Trustee as the principal debtor or to change its tax residence to another jurisdiction approved by the Note Trustee (provided that the Issuer will only use such reasonable endeavours to so determine if such a substitution or change could reasonably be expected to avoid such withholding or deduction or tax or other similar imposition). If the Issuer determines that any of such measures would be practicable, it will have a further period of 60 calendar days to effect such substitution or change of tax residence. If, however, it determines within 20 calendar days of such circumstance occurring that none of such measures would be practicable or if, having determined that any of such measures would be practicable, it is unable so to avoid such withholding or deduction or tax or imposition within such further period of 60 calendar days, then the Issuer may, at its election, but will not be obliged to, at any time thereafter give not more than 60 nor less than 30 calendar days' (or such shorter period expiring on or before the latest date permitted by relevant law) irrevocable notice to the Note Trustee, the Paying Agent, the Registrar, the Cap Provider and the Noteholders, in accordance with Condition 15 (*Notices*), of its intention to redeem and of the date fixed for redemption (which must be an Interest Payment Date falling after the expiry of such notice period) and will on such date redeem all but not some only of the Notes at their Outstanding Note Principal Amounts together with accrued interest to that date, provided that prior to the publication of any such irrevocable notice of redemption, the Issuer will deliver to the Note Trustee a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting out a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred. The Note Trustee will be entitled to accept such certificate as sufficient evidence of the satisfaction of the circumstances set out above, and such certificate will be conclusive and binding on the Noteholders.

(c) **Mandatory early redemption in part**

The Issuer will redeem the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes subject to the Available Principal Receipts and in accordance with the Pre-Acceleration Principal Priority of Payments and will redeem the Class X Notes subject to Available Revenue Receipts and in accordance with the Pre-Acceleration Revenue Priority of Payments.

(d) **Clean-Up Call**

- (i) On any Interest Payment Date following the Determination Date on which the Aggregate Outstanding Principal Balance is equal to or less than 10% of the Aggregate Outstanding Principal Balance as at the Cut-Off Date, the Seller will (provided that on the relevant Interest Payment Date no Enforcement Event has occurred) have the option under the Receivables Sale and Purchase Agreement (the "**Clean-Up Call**") to repurchase all Purchased Receivables then outstanding against payment of the Final Repurchase Price, subject to the following requirements (the "**Clean-Up Call Conditions**"):

(1) the Final Repurchase Price should be at least equal to the sum of (A) the aggregate Outstanding Note Principal Amount of all Class A Notes, Class B Notes, Class C Notes, Class D Notes, the Class E Notes and the Class X Notes plus (B) accrued interest thereon plus (C) all claims of any creditors of the Issuer ranking prior to the claims of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class X Noteholders according to the applicable Priority of Payments that would otherwise remain outstanding after application of any Available Revenue Receipts (including, for the avoidance of doubt, the balance of the Reserve Fund on that Interest Payment Date) and Available Principal Receipts (including, for the avoidance of doubt, all amounts standing to the credit of the Transaction Account under paragraph (e) of the definition of Available Principal Receipts (other than the balance on the Issuer Profit Ledger) on the date which is two Business Days prior to the Repurchase Date, but excluding any Final Repurchase Price) applied on such Interest Payment Date under items (a) to (u) (inclusive) of the Pre-Acceleration Revenue Priority of Payments and items (a) to (e) (inclusive) of the Pre-Acceleration Principal Priority of Payments or items (a) to (i) (inclusive) of the Post-Acceleration Priority of Payments; and

(2) the Seller shall have notified the Issuer of its intention to exercise the Clean-Up Call at least 10 calendar days prior to the contemplated settlement date of the Clean-Up Call.

(ii) Upon payment in full of the amounts specified in Condition 5(d)(i)(1) above to, or for the order of, the Noteholders, no Noteholders shall be entitled to receive any further payments of interest or principal.

(e) **Cancellation**

Any Notes redeemed in full or, as the case may be, in part by the Issuer will promptly be cancelled in full or, as the case may be, in part in which case they will not be resold or re-issued and the obligations of the Issuer under any such Notes will be discharged.

If the Issuer redeems some of the Class A Notes and/or the Class B Notes and/or the Class C Notes and/or Class D Notes and/or Class E Notes and/or Class X Notes and such Notes are represented by Global Notes, such partial redemption will be effected in accordance with the rules and procedures of Clearstream, Luxembourg and/or Euroclear (to be reflected in the records of Clearstream, Luxembourg and Euroclear, as either a pool factor or a reduction in nominal amount, at their discretion).

(f) **Note principal payments and outstanding note principal amounts**

On (or as soon as practicable after) each Interest Determination Date, the Cash Manager, acting on behalf of the Issuer, will determine (based on information provided to the Cash Manager by the Issuer or the Servicer via the servicing report) the following:

(i) the amount of principal payable in respect of each Class A Note, each Class B Note, each Class C Note, each Class D Note, each Class E Note and each Class X Note pursuant to Condition 5 (*Redemption*) and the Interest Periods, the Class A Interest Amount, the Class B Interest Amount, the Class C Interest Amount, the Class D Interest Amount, the Class E Interests Amount and the Class X Interest Amount to Condition 4 (*Interest*) in accordance with

the applicable Priority of Payments and subject to the Available Principal Receipts and Available Revenue Receipts to be paid on such Interest Payment Date; and

- (ii) the Aggregate Outstanding Note Principal Amount of Class A Notes, the Aggregate Outstanding Note Principal Amount of Class B Notes, the Aggregate Outstanding Note Principal Amount of Class C Notes, the Aggregate Outstanding Note Principal Amount of Class D Notes, the Aggregate Outstanding Note Principal Amount of Class E Notes, the Aggregate Outstanding Note Principal Amount of Class X Notes as from such Interest Payment Date,

and will cause notice of each determination of the principal payable and the Outstanding Note Principal Amount of a Note of each Class to be given to the Note Trustee, the Paying Agent, the Registrar, the Issuer and the Noteholders (in accordance with Condition 15 (*Notices*)) as soon as reasonably practicable and, in any case, by not later than 5.00 pm (London time) one Business Day before the relevant Interest Payment Date. Each determination by or on behalf of the Issuer of any principal payable and the Outstanding Note Principal Amount of a Note will in each case (in the absence of fraud, wilful default or manifest or proven error) be final and binding on all persons.

If the Cash Manager, acting on behalf of the Issuer, does not at any time for any reason determine with respect to any Note the principal payable or the Outstanding Note Principal Amount in accordance with the preceding provisions of this Condition 5(f), such principal payable and/or Outstanding Note Principal Amount may be determined by the Note Trustee in accordance with this Condition 5(f) and each such determination will be conclusive (in the absence of wilful default or manifest or proven error) and will be deemed to have been made by the Cash Manager. Any such determination will be final and binding on the Issuer, the Cash Manager, the Noteholders and all other relevant persons.

6. ***Additional interest and subordination***

(a) **Additional interest on the Class A Notes**

If the aggregate funds (computed in accordance with the provisions of the Cash Management Agreement) available to the Issuer on any Interest Payment Date for application in or towards the payment of any Interest Amount due with respect to the Class A Notes on such Interest Payment Date pursuant to Condition 4 (*Interest*) are not sufficient to satisfy in full the aggregate amount of interest so due (the "**Class A Interest Shortfall**"), the Issuer will create a provision in its Issuer Accounts equal to such shortfall and such shortfall will accrue interest in accordance with Condition 4(c)(i) (*Interest Rate*) for such time as it remains outstanding and such shortfall, together with any additional accrued interest, will be immediately due and payable.

(b) **Interest on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes**

- (i) For so long as any of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes or the Class X Notes remain outstanding, if the aggregate funds (computed in accordance with the provisions of the Cash Management Agreement) available to the Issuer on any Interest Payment Date for application in or towards the payment of any Interest Amount which is, subject to this Condition, due with respect to the any of the more junior ranking Classes of Notes on such Interest Payment Date (the "**Class B Interest Shortfall**" in the case of Class B Notes, the "**Class C Interest Shortfall**" in the case of Class C Notes, the "**Class D Interest**

Shortfall" in the case of Class D Notes, the "**Class E Interest Shortfall**" in the case of Class E Notes and the "**Class X Interest Shortfall**" in the case of Class X Notes and any of the foregoing an "**Interest Shortfall**") are not sufficient to satisfy in full the aggregate amount of interest which is, subject to this Condition, due with respect to the such Class of Notes on such Interest Payment Date, there will be payable on such Interest Payment Date by way of interest with respect to each Note of such Class (notwithstanding Condition 4 (*Interest*)) only a *pro rata* share of such aggregate funds on such Interest Payment Date.

- (ii) If there is an Interest Shortfall in respect of any Class of Notes, the Issuer will create a provision in its Issuer Accounts for the shortfall equal to the amount by which the aggregate amount of interest paid with respect to the such Class of Notes on any Interest Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable with respect to such Class of Notes on that date pursuant to Condition 4 (*Interest*). Such shortfall will accrue interest in accordance with Condition 4(c) (*Interest Rate*) during such Interest Period during which it remains outstanding and a *pro rata* share of such shortfall, together with a *pro rata* share of such accrued interest, will be aggregated with the amount of, and treated for the purpose of this Condition as if it were, interest due, subject to this Condition, on each Note of such Class on the next succeeding Interest Payment Date. If, on the final Interest Payment Date (or on any earlier redemption of such Class of Notes in full), there remains such a provision, such amount will become payable subject to this Condition on that Interest Payment Date (or, in the case of an earlier redemption of such Class of Notes in full, on the date of such redemption).
- (iii) Upon redemption of the Class A Notes in full, the provisions of Condition 6(a) (*Additional interest on the Class A Notes*) will apply to the next Most Senior Class of Notes then outstanding.

(c) **Principal on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes**

- (i) The Class B Noteholders will not be entitled to any payment of the principal on the Class B Notes while any Class A Note remains outstanding. The Class C Noteholders will not be entitled to any payment of the principal on the Class C Notes while any Class A Note or Class B Note remains outstanding. The Class D Noteholders will not be entitled to any payment of the principal on the Class D Notes while any Class A Note, Class B Note or Class C Note remains outstanding. The Class E Noteholders will not be entitled to any payment of the principal on the Class E Notes while any Class A Note, Class B Note, Class C Note or Class D Note remains outstanding.
- (ii) If on any Interest Payment Date or any other date on which a payment of principal is due on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes or the Class X Notes falling on or after the redemption of each of the more senior ranking Classes of Note the aggregate funds (computed in accordance with the provisions of the Cash Management Agreement) available to the Issuer on such date for application in or towards the payment of principal which is, subject to this Condition, due on any Class of Notes other than the Most Senior Class of Notes then outstanding on such date are not sufficient to pay in full all principal due (otherwise than pursuant to this Condition 6(c)) on such Class of Notes on such date, there will be payable on such date by way of principal on such Class of Notes only a *pro rata* share of such aggregate funds on such date.

7. **Payments**

(a) **Method of payment**

Except as provided below, payments on the Notes will be made by transfer to a Sterling account maintained by the payee with a bank as specified by the payee and notified to the Paying Agent at least two Business Days prior to the due date for the relevant payment.

(b) **Payments subject to applicable laws, etc.**

All payments are subject in all cases to:

- (i) any applicable fiscal or other laws, regulations and directives; and
- (ii) FATCA,

but without prejudice to the provisions of Condition 8 (*Taxation*). No commission or expenses will be charged to the Noteholders with respect to such payments.

(c) **Payments on Global Notes**

Payments of principal and interest on Class A Notes, Class B Notes, Class C Notes, the Class D Notes, Class E Notes and the Class X Notes represented by any Global Note will (subject as provided below) be made in the manner specified above with respect to Definitive Notes and otherwise in the manner specified in the relevant Global Note through Clearstream, Luxembourg and/or Euroclear. A record of each payment made for any Global Note, distinguishing between any payment of principal and any payment of interest, will be entered into the records of Clearstream, Luxembourg and/or Euroclear and such record will be *prima facie* evidence that the payment in question has been made.

(d) **General provisions applicable to payments**

The Holder of a Global Note will be the only person entitled to receive payments on Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class X Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the Holder of such Global Note with respect to each amount so paid. Each of the persons shown in the records of Clearstream, Luxembourg or Euroclear as the beneficial Holder of a particular nominal amount of Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class X Notes represented by such Global Note must look solely to Clearstream, Luxembourg or Euroclear, as the case may be, for this share of each payment so made by the Issuer, or to the order of, the Holder of such Global Note.

(e) **Appointment of Agents**

The Paying Agent, the Registrar, the Interest Determination Agent and the Cash Manager initially appointed by the Issuer and their respective specified offices are listed at the end of these Conditions. The Paying Agent, the Registrar, the Interest Determination Agent and the Cash Manager act solely as agents of the Issuer (unless an Event of Default has occurred or may with the lapse of time or the giving of notice occur, when such agents may be required to act as agents of the Note Trustee) and do not assume any obligation or relationship of agency or trust for or with any Noteholders. The Issuer reserves the right at any time with the prior written approval of the Note Trustee (such approval not to be unreasonably withheld) to vary or terminate the appointment of the Paying Agent, the Registrar, the Interest Determination Agent or the Cash Manager and to appoint other Paying Agents,

Registrars, Interest Determination Agents or Cash Managers, provided that the Issuer will at all times maintain (i) a Cash Manager, (ii) a Registrar, (iii) an Interest Determination Agent and (iv) a Paying Agent.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 15 (*Notices*).

(f) **Non-business days**

If any date for payment on any Note is not a Business Day, the Holder shall not be entitled to payment until the next day which is a Business Day notwithstanding that the Holder shall not be paid any interest or other sum with respect to such postponed payment. If the next Business Day should fall in the next calendar month, the payment shall be made on the immediately preceding Business Day.

(g) **Limited recourse**

(i) No amounts will be payable by the Issuer except in accordance with the Priority of Payments (excluding any Permitted Exceptions) and any payment obligations of the Issuer under the Notes may only be satisfied from the amounts received by it under or in connection with the Transaction Documents.

(ii) If the Security constituted by or pursuant to the Deed of Charge is enforced, and after payment of all other claims (if any) ranking in priority to or *pari passu* with each of the claims of the Secured Creditors under the Deed of Charge, the remaining proceeds of such enforcement are insufficient to pay in full all amounts due to each of the Secured Creditors and all other claims ranking *pari passu* to the claims of each such party, then the claims of each such party against the Issuer will be limited to their respective shares of such remaining proceeds (as determined in accordance with the provisions of the Deed of Charge) and, after payment to each such party of its respective share of such remaining proceeds, the obligations of the Issuer to each such party will be extinguished in full.

(iii) The provisions of this Condition 7(g) will survive the termination of these Conditions. In the case of discrepancy between this Condition 7(g) and any other provision, the provisions of this Condition 7(g) will prevail.

8. **Taxation**

All payments of principal and interest on the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of any nature by the Issuer or the Paying Agent unless required by law (or pursuant to FATCA), in which case the Issuer or the Paying Agent will make that payment net of such withheld or deducted amounts and will account to the relevant authorities for the amount required to be withheld or deducted. Neither the Issuer nor the Paying Agent will be obliged to make any additional payments to Noteholders for such withholding or deduction.

Notwithstanding the foregoing, if any taxes referred to in Condition 5(b) (*Redemption for taxation reasons*) arise and, subject as provided in such Condition, as a result of such tax the Issuer either (i) does not or would not have sufficient amounts to make payments due on the Notes in full or (ii) would be required to deduct any amounts from its payments on the Notes, then the amounts payable or to be paid, as the case may be, on the Notes will be proportionately reduced by an amount equal to such insufficiency or deduction. No such reduction will constitute an Event of Default under Condition 10 (*Events of Default*).

9. **Prescription**

The Notes will become void unless claims for payment of principal or interest are made within 10 years of the Legal Maturity Date with respect to such Notes. After the date on which a Note becomes void, no claim may be made with respect to such Note.

10. **Events of Default**

If any of the following events (each an "**Event of Default**") occurs, the Note Trustee at its absolute discretion may, and, if so directed by the holders of at least 25% in aggregate Outstanding Note Principal Amount of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes (subject, in each case, to the Note Trustee being indemnified and/or secured and/or prefunded to its satisfaction), will give a Note Acceleration Notice to the Issuer, the Security Trustee, the Account Bank, the Cash Manager and the Paying Agent declaring the Notes due and payable and each Note will accordingly become immediately due and payable, without further action or formality, at its Outstanding Note Principal Amount together with accrued interest:

- (a) an Insolvency Event occurs in respect of the Issuer;
- (b) a default occurs in the payment of interest on any Interest Payment Date in respect of the Most Senior Class of Notes (and such default is not remedied within 14 Business Days of its occurrence);
- (c) the Issuer defaults in the payment of principal on the Most Senior Class of Notes when due, and such default continues for a period of 7 Business Days ;
- (d) the Issuer fails to perform or observe any of its other material obligations under these Conditions or the Transaction Documents and such failure continues for a period of 30 calendar days following written notice from the Note Trustee or any other Secured Creditors; or
- (e) the Deed of Charge (or any security interest purported to be created thereunder) shall, for any reason, cease to be in full force and effect or be declared to be null and void, or the validity or enforceability thereof shall be contested by the Issuer or the Issuer shall deny that it has any or further liability or obligation under the Deed of Charge (or with respect thereto).

For the avoidance of doubt, a failure to pay any interest or principal due in respect of any Class of Notes which is not, on the relevant date, the Most Senior Class of Notes shall not constitute an Event of Default other than on the Final Redemption Date.

Upon any Note Acceleration Notice being given by the Note Trustee in accordance with the terms of this Condition 10 (*Events of Default*), notice to that effect will be given by the Note Trustee to all Noteholders in accordance with Condition 15 (*Notices*).

11. **Enforcement and non-petition**

Only the Note Trustee and the Security Trustee may pursue the remedies available under the Trust Deed or the Deed of Charge, as applicable, to enforce the rights of the Secured Creditors. No other Secured Creditor is entitled to proceed against the Issuer. Neither the Note Trustee nor any Secured Creditor may take any action or has any rights against the Issuer to recover any amount still unpaid once the Security is enforced and the net proceeds thereof distributed in accordance with Condition 2 (*Status and Security*), and any such liability will be extinguished. None of the Note Trustee, the Security Trustee nor any Secured Creditor will be entitled, until the expiry of one year and one day after the Final Discharge Date, to petition or take any other step for the winding-up of the Issuer provided that the Security Trustee may prove or lodge a claim in the liquidation of the Issuer initiated by another party

and provided further that the Security Trustee may take proceedings to obtain a declaration or similar judgment or order as to the obligations and liabilities of the Issuer.

The Note Trustee and the Security Trustee, as the case may be, in accordance with this Condition 11 (*Enforcement and non-petition*), will, except as otherwise directed by the Most Senior Class of Notes acting by way of a Written Resolution or by way of an Extraordinary Resolution at the relevant date, or in relation to the Security Trustee only in relation to amendments and waiver, except as otherwise directed by the Note Trustee, have absolute and uncontrolled discretion as to the exercise and non-exercise of all rights, powers, authorities or discretions conferred upon them by or under the Trust Deed, the Deed of Charge or any Transaction Document to which they are a party or conferred upon them by operation of law.

The provisions of this Condition 11 will survive the termination of these Conditions. In the case of discrepancy between this Condition 11 and any other provision, the provisions of this Condition 11 will prevail.

12. ***Meetings of Noteholders, amendments, waiver, substitution and exchange***

(a) **Meetings of Noteholders**

- (i) The Trust Deed contains provisions for convening separate meetings of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class X Noteholders and the Certificateholders to consider any matter affecting their interests, including the sanctioning by a resolution passed at a meeting convened and held in accordance with the Trust Deed by at least 75% of votes cast (an "**Extraordinary Resolution**") of a modification of these Conditions or the provisions of any of the Transaction Documents.
- (ii) Subject as provided below, the quorum at any meeting of Noteholders of any Class of Notes for passing an Ordinary Resolution will be one or more persons holding or representing at least 20% of the Outstanding Note Principal Amount of the relevant Class of Notes then outstanding, or, at any adjourned meeting, one or more persons being or representing a Noteholder of the relevant Class, whatever the Outstanding Note Principal Amount of the Notes of such Class held or represented by it or them.
- (iii) Subject as provided below, the quorum at any meeting of Noteholders of any Class of Notes for passing an Extraordinary Resolution will be one or more persons holding or representing at least 50% of the Outstanding Note Principal Amount of the relevant Class of Notes or, at any adjourned meeting, one or more persons being or representing a Noteholder of the relevant Class, whatever the Outstanding Note Principal Amount of the Notes of such Class held or represented by them.
- (iv) The quorum at any meeting of Noteholders of any Class for passing an Extraordinary Resolution to sanction:
 - (1) sanction a modification of the date of maturity of Notes;
 - (2) sanction a modification of the date of payment of principal or interest in respect of the Notes, or where applicable, of the method of calculating the date of payment of principal or interest in respect of the Notes, or of the method of calculating the date of payment in respect of the Residual Certificates;

- (3) sanction a modification of the amount of principal or the rate of interest payable in respect of the Notes, or where applicable, of the method of calculating the amount payable of any principal or interest in respect of the Notes, or of the method of calculating the amounts payable in respect of the Residual Certificates (including, in relation to any Class of Notes or the Residual Certificates, if any such modification is proposed for any Class of Notes ranking senior to such Class or the Residual Certificates in the Priorities of Payments);
 - (4) alter the currency in which payments under the Notes or Residual Certificates are to be made;
 - (5) alter the quorum or majority required in relation to this exception;
 - (6) sanction any scheme or proposal for the sale, conversion or cancellation of the Notes or the Residual Certificates;
 - (7) alter any of the provisions contained in this exception; or
 - (8) any change to the definition of Basic Terms Modification,

(each, a "**Basic Terms Modification**") shall be one or more persons holding or representing at least 66 $\frac{2}{3}$ % of the Outstanding Note Principal Amount of the relevant Class of Notes or, at any adjourned meeting, one or more persons holding or representing at least 25% of the Outstanding Note Principal Amount of such Class.
- (v) Subject to paragraph (vi) below and except in the case of an Extraordinary Resolution directing the Note Trustee to give a Note Acceleration Notice, as to which the provisions of Condition 10 (*Events of Default*) shall apply:
- (1) (subject as provided in paragraph (3) below) an Extraordinary Resolution passed at any meeting of the Most Senior Class of Notes shall be binding on (A) all other Classes of Notes and (B) the Certificateholders, irrespective of the effect upon them;
 - (2) no Extraordinary Resolution of any Class of Noteholders or the Certificateholders (other than an Extraordinary Resolution referred to in paragraph (C) of this proviso) shall be effective for any purpose unless either (A) the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of any more senior ranking Classes of Noteholders, (B) it is sanctioned by an Extraordinary Resolution of each of the more senior ranking Classes of Noteholders or (C) none of the more senior ranking Classes of Notes remains outstanding; and
 - (3) no Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of one Class of Notes or the Certificateholders shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of the other Classes of Notes then outstanding and the Certificateholders.
- (vi) A resolution which in the opinion of the Note Trustee affects the interests of the holders of the Notes of only one Class or the Residual Certificates only, shall be deemed to have been duly passed if passed at a meeting (or by a separate resolution in writing) of the holders of that Class of Notes or of the Certificateholders.

(b) Amendments and waiver

- (i) The Note Trustee may, and shall direct the Security Trustee, without the consent or sanction of the Noteholders, the Certificateholders or the other Secured Creditors at any time and from time to time concur with the Issuer or any other person in making any modification:
 - (1) to these Conditions or any Transaction Document (excluding in relation to a Basic Terms Modification) which in the opinion of the Note Trustee will not be materially prejudicial to the interests of the Most Senior Class of Notes; or
 - (2) to these Conditions or any Transaction Document (including in relation to a Basic Terms Modification) if in the opinion of the Note Trustee such modification is of a formal, minor or technical nature, to correct a manifest error or to comply with law.
- (ii) Notwithstanding the provisions of Condition 12(b)(i), the Note Trustee shall be obliged, and shall direct the Security Trustee, without any consent or sanction of the Noteholders, the Certificateholders or the other Secured Creditors, but subject to the receipt of written consent from each of the Secured Creditors party to the Transaction Document being modified, to concur with the Issuer in making any modification (other than in respect of a Basic Terms Modification) to these Conditions and/or any Transaction Document that the Issuer considers necessary or advisable or as proposed by the Cap Provider or the Account Bank pursuant to Condition 12(b)(ii)(1)(B):
 - (1) for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, provided that:
 - (A) the Issuer certifies in writing to the Note Trustee and the Security Trustee that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria; and
 - (B) in the case of any modification to a Transaction Document or these Conditions proposed by the Cap Provider or the Account Bank in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds):
 - (aa) the Cap Provider or the Account Bank, as the case may be, certifies in writing to the Issuer and the Note Trustee and the Security Trustee that such modification is necessary for the purposes described in paragraph (B)(x) and/or (y) above;
 - (bb) either:
 - (i) the Cap Provider or the Account Bank, as the case may be, obtains from each of the Rating Agencies a Rating Agency Confirmation and, if relevant, delivers a copy

of each such confirmation to the Issuer and the Note Trustee and the Security Trustee; or

- (ii) the Cap Provider or the Account Bank, as the case may be, certifies in writing to the Note Trustee and the Security Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, qualification or withdrawal or suspension of the then current ratings assigned to the Notes by such Rating Agency or (y) such Rating Agency placing any such Notes on rating watch negative (or equivalent); and
 - (cc) the Cap Provider or the Account Bank, as the case may be, pays all costs and expenses (including legal fees) incurred by the Issuer, the Note Trustee and the Security Trustee in connection with such modification;
- (2) in order to enable the Issuer and/or the Cap Provider to comply with any obligation which applies to it under EMIR, provided that the Issuer or the Cap Provider, as appropriate, certifies to the Note Trustee and the Security Trustee and the Cap Provider or the Issuer, as applicable, in writing that such modification is required solely for the purpose of enabling it to satisfy such obligation and has been drafted solely to such effect;
- (3) for the purpose of complying with any changes in the EU Retention Requirements after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the EU Retention Requirements or any other risk retention legislation or regulations or official guidance in relation thereto, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (4) for the purpose of enabling the Notes to be (or to remain) listed on Euronext Dublin, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (5) for the purposes of enabling the Issuer or any of the other Transaction Parties to comply with FATCA (or any voluntary agreement entered into with a taxing authority in relation thereto), provided that the Issuer or the relevant Transaction Party, as applicable, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (6) for the purpose of enabling the Issuer to open any custody account for the receipt of any collateral posted by the Cap Provider under the Cap Agreement in the form of securities;

- (7) for so long as the Class A Notes are intended to be held in a manner which will allow for Eurosystem eligibility, for the purpose of maintaining such eligibility;
- (8) for the purpose of complying with any changes in the requirements of the CRA Regulation (if and to the extent applicable) after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the CRA Regulation and the Commission Delegated Regulation 2015/3 (including, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators), as amended from time to time (the "**CRA3 Requirements**"), including any requirements imposed by any other obligation which applies under the CRA3 Requirements and/or any new regulations or official guidance in relation thereto, or which are required to comply with Article 7 of the Securitisation Regulation if an STS notification is subsequently made in relation to the Transaction, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

(any such modification pursuant to Conditions 12(b)(ii)(1) to (8) (inclusive) above being a "**Modification**" and the certificate to be provided by the Issuer, the Cap Provider or the relevant Transaction Party, as the case may be, pursuant to Conditions 12(b)(ii)(1) to (8) (inclusive) above being a "**Modification Certificate**"),

- (9) for the purpose of changing the benchmark rate in respect of the Floating Rate Notes from LIBOR (the "**Applicable Benchmark Rate**") to an alternative benchmark rate (any such rate, an "**Alternative Benchmark Rate**") and making such other amendments to these Conditions or any other Transaction Document as are necessary or advisable in the reasonable judgment of the Issuer (or the Servicer on its behalf) to facilitate the changes envisaged by this Condition 12(b)(ii)(9) (for the avoidance of doubt, this may include changing the benchmark rate referred to in any interest rate hedging agreement, for the purpose of aligning any such hedging agreement with a proposed Benchmark Rate Modification pursuant to this Condition 12(b)(ii)(9), or modifications to when the Interest Rate applicable to any Class of Notes is calculated and/or notified to Noteholders or other such consequential modifications) (a "**Benchmark Rate Modification**"), provided that the Servicer, on behalf of the Issuer, certifies to the Note Trustee and the Security Trustee in writing (such certificate, a "**Benchmark Rate Modification Certificate**") that:
 - (A) such Benchmark Rate Modification is being undertaken due to any one or more of the following:
 - (aa) a material disruption to the Applicable Benchmark Rate, a material change in the methodology of calculating the Applicable Benchmark Rate or the Applicable Benchmark Rate ceasing to exist or be published, or the administrator of the Applicable Benchmark Rate having used a fallback methodology for calculating the Applicable Benchmark Rate for a period of at least 30 calendar days; or

- (bb) the insolvency or cessation of business of the administrator of the Applicable Benchmark Rate (in circumstances where no successor administrator has been appointed); or
- (cc) a public statement by the administrator of the Applicable Benchmark Rate that it will cease publishing the Applicable Benchmark Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Applicable Benchmark Rate) with effect from a date no later than six months after the proposed effective date of such Benchmark Rate Modification; or
- (dd) a public statement by the supervisor of the administrator of the Applicable Benchmark Rate that the Applicable Benchmark Rate has been or will be permanently or indefinitely discontinued or there will be a material change in the methodology of calculating the Applicable Benchmark Rate with effect from a date no later than six months after the proposed effective date of such Benchmark Rate Modification; or
- (ee) a public statement by the supervisor of the administrator of the Applicable Benchmark Rate that means the Applicable Benchmark Rate will be prohibited from being used or that its use is subject to restrictions or adverse consequences with effect from a date no later than six months after the proposed effective date of such Benchmark Rate Modification; or
- (ff) a change in the generally accepted market practice in the publicly listed asset backed floating rate notes market to refer to a benchmark rate endorsed in a public statement by the Bank of England, the FCA or the Prudential Regulation Authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Reference Rates, despite the continued existence of the Applicable Benchmark Rate; or
- (gg) it having become unlawful and/or impossible and/or impracticable for the Interest Determination Agent, the Paying Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Applicable Benchmark Rate; or
- (hh) it being the reasonable expectation of the Issuer (or the Servicer on its behalf) that any of the events specified in sub-paragraphs (aa), (bb) or (gg) will occur or exist within six months of the proposed effective date of such Benchmark Rate Modification; or

- (ii) the Calculation Agent makes adjustments to the Cap Agreement following the occurrence of a Benchmark Event thereunder; or
- (B) a Benchmark Rate Modification is being proposed pursuant to Condition 12(b)(v);
- (C) such Alternative Benchmark Rate is any one or more of the following:
 - (aa) a benchmark rate with an equivalent term to the Applicable Benchmark Rate as published, endorsed, approved or recognised as a replacement to the Applicable Benchmark Rate by the Bank of England, the FCA or the Prudential Regulation Authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Reference Rates (which, for the avoidance of doubt, may be an alternative Benchmark Rate together with a specified adjustment factor which may increase or decrease the relevant alternative benchmark Rate); or
 - (bb) a benchmark rate with an equivalent term utilised in a material number of publicly-listed new issues of asset backed floating rate notes denominated in Sterling in the six months prior to the proposed effective date of such Benchmark Rate Modification; or
 - (cc) such other benchmark rate as the Issuer (or the Servicer on its behalf) reasonably determines, provided that this option may only be used if the Issuer (or the Servicer on its behalf) certifies to the Note Trustee and the Security Trustee that, in the reasonable opinion of the Issuer (or the Servicer on its behalf), neither Condition 12(b)(ii)(9)(C)(aa) nor Condition 12(b)(ii)(9)(C)(bb) above is applicable and/or practicable in the context of the Transaction, and sets out the rationale in the Benchmark Rate Modification Certificate for choosing the proposed Alternative Benchmark Rate; and
- (D) the same Alternative Benchmark Rate will be applied to all Classes of Notes issued in the same currency (other than, for the avoidance of doubt, the Class E Notes); and
- (E) the details of and the rationale for any Note Rate Maintenance Adjustment proposed in accordance with Condition 12(b)(ii)(11)(E) are as set out in the Modification Noteholder Notice (as defined below); and
- (F) the modifications proposed are required solely for the purpose of applying the Alternative Benchmark Rate and making consequential modifications to any Transaction Document which are, as reasonably determined by the Issuer

(or the Servicer on its behalf) necessary or advisable, and the modifications have been drafted solely to such effect; and

- (G) the consent of each Secured Creditor which has a right to consent to such modification pursuant to the provisions of the Transaction Documents has been obtained (evidence of which shall be provided by the Issuer to the Note Trustee and the Security Trustee with the Benchmark Rate Modification Certificate) and no other consents are required to be obtained in relation to the Benchmark Rate Modification; and
- (H) the Servicer pays (or arranges for the payment of) all fees, costs and expenses (including properly incurred legal fees and any initial or on-going costs associated with the Benchmark Rate Modification) incurred by the Issuer, the Note Trustee and the Security Trustee and any other Transaction Party in connection with such Benchmark Rate Modification,

provided that:

- (I) the Benchmark Rate Modification Certificate shall be provided to the Note Trustee and the Security Trustee in draft form not less than five Business Days prior to the date on which the Modification Noteholder Notice (as defined below) is sent to Noteholders; and
- (J) the Benchmark Rate Modification Certificate shall be provided to the Note Trustee and the Security Trustee in final form not less than two Business Days prior to the date on which the Benchmark Rate Modification takes effect; and
- (K) a copy of the Modification Noteholder Notice (as defined below) provided to Noteholders pursuant to Condition 12(b)(ii)(11) shall be appended to the Benchmark Rate Modification Certificate,

and provided further that, other than in the case of a Modification pursuant to Conditions 12(b)(ii)(2), (3), and (5) above:

- (10) other than in the case of a Modification pursuant to Condition 12(b)(ii)(1)(B) above, either:
 - (A) the Issuer (or the Servicer on its behalf) obtains from each of the Rating Agencies a Rating Agency Confirmation and, if relevant, it has provided a copy of any Rating Agency Confirmation to the Note Trustee and the Security Trustee with the Modification Certificate or the Benchmark Rate Modification Certificate (as applicable); or
 - (B) the Issuer certifies in the Modification Certificate or the Benchmark Rate Modification Certificate (as applicable) that it has given the Rating Agencies at least 10 Business Days' prior written notice of the proposed Modification and none of the Rating Agencies has indicated that such Modification would result in (x) a downgrade, qualification or, withdrawal or suspension of the then current ratings assigned to any

Class of the Notes by such Rating Agency or (y) such Rating Agency placing any such Notes on rating watch negative (or equivalent); and

- (11) the Issuer has provided written notice of the proposed Modification or Benchmark Rate Modification to the Noteholders of each Class, at least 40 calendar days' prior to the date on which it is proposed that the Modification or Benchmark Rate Modification would take effect, in accordance with Condition 15 (*Notices*) and by publication on Bloomberg on the "Company Filings" screen relating to the Notes (such notice, the "**Modification Noteholder Notice**") confirming the following:
- (A) the period during which Noteholders of the Most Senior Class of Notes on the date specified to be the Modification Record Date, which shall be five Business Days from the date of the Modification Noteholder Notice (the "**Modification Record Date**"), may object to the proposed Modification or Benchmark Rate Modification (which notice period shall commence at least 40 calendar days prior to the date on which it is proposed that the Modification or Benchmark Rate Modification would take effect and continue for a period not less than 30 calendar days) and the method by which they may object; and
 - (B) the sub-paragraph(s) of Condition 12(b)(ii)(1) to (8) under which the Modification is being proposed or the sub-paragraph(s) of Condition 12(b)(ii)(9)(A) under which the Benchmark Rate Modification is being proposed; and
 - (C) in the case of a Benchmark Rate Modification, which Alternative Benchmark Rate is proposed to be adopted pursuant to Condition 12(b)(ii)(9)(C), and, where Condition 12(b)(ii)(9)(C)(cc) is being applied, the rationale for choosing the proposed Alternative Benchmark Rate; and
 - (D) in the case of a Benchmark Rate Modification, details of any consequential modifications that the Issuer has agreed will be made to any hedging agreement to which it is a party for the purpose of aligning any such hedging agreement with the proposed Benchmark Rate Modification, if the proposed Benchmark Rate Modification takes effect. The Issuer shall use reasonable endeavours to agree modifications to each hedging agreement where commercially appropriate so that the Transaction is hedged following the Benchmark Rate Modification to a similar extent as prior to the Benchmark Rate Modification and that such modifications shall take effect no later than 30 calendar days from the date on which the Benchmark Rate Modification takes effect. If (i) no modifications are proposed to be made to hedging agreements; and/or (ii) modifications will be made to hedging agreements but will not result in the Transaction being similarly hedged; and/or (iii) modifications to any hedging agreement would take effect later than 30 calendar days from the date on which the Benchmark Rate Modification takes

effect, the Issuer shall set out in the Modification Noteholder Notice the rationale for this; and

- (E) in the case of a Benchmark Rate Modification, details of the adjustment which the Issuer proposes to make (if any) to the margin payable on each Class of Notes which are the subject of the Benchmark Rate Modification in order to, so far as reasonably and commercially practicable, preserve what would have been the expected Interest Rate applicable to each such Class of Notes had no such Benchmark Rate Modification been effected (the "**Note Rate Maintenance Adjustment**"), provided that
- (aa) in the event that the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Reference Rates has published, endorsed, approved or recognised a note rate maintenance adjustment mechanism which could be used in the context of a transition from the Applicable Benchmark Rate to the Alternative Benchmark Rate, then the Issuer shall propose that note rate maintenance adjustment mechanism as the Note Rate Maintenance Adjustment, or otherwise the Issuer shall set out in the Modification Noteholder Notice the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Benchmark Rate Modification; or
 - (bb) in the event that it has become generally accepted market practice in the publicly listed asset backed floating rate notes, Eurobond or swaps market to use a particular note rate maintenance adjustment mechanism in the context of a transition from the Applicable Benchmark Rate to the Alternative Benchmark Rate, then the Issuer shall propose that note rate maintenance adjustment mechanism as the Note Rate Maintenance Adjustment, or otherwise the Issuer shall set out in the Modification Noteholder Notice the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Benchmark Rate Modification; or
 - (cc) in the event that neither (aa) nor (bb) above apply, the Issuer shall use reasonable endeavours to propose an alternative Note Rate Maintenance Adjustment as reasonably determined by the Issuer (or the Servicer on its behalf) and shall set out the rationale for the proposal or otherwise the Issuer shall set out in the Modification Noteholder Notice the rationale for concluding that this is not a commercial and reasonable approach in relation to

the Notes and the proposed Benchmark Rate Modification; and

- (dd) if any Note Rate Maintenance Adjustment is proposed, the Note Rate Maintenance Adjustment applicable to each Class of Notes other than the Most Senior Class of Notes shall be at least equal to that applicable to the Most Senior Class of Notes. In circumstances where the Issuer proposes a lower Note Rate Maintenance Adjustment on any Class of Notes other than the Most Senior Class than that which is proposed for the Most Senior Class of Notes or another Class of Notes which ranks senior to the Class of Notes to which the lower Note Rate Maintenance Adjustment is proposed to be made, the Benchmark Rate Modification will not be made unless an Extraordinary Resolution is passed in favour of such modification in accordance with this Condition 12 (*Meetings of Noteholders, amendments, waiver, substitution and exchange*) by the Noteholders of each Class of Notes outstanding on the Modification Record Date to which the lower Note Rate Maintenance Adjustment is proposed to be made; and
 - (ee) for the avoidance of doubt, the Note Rate Maintenance Adjustment may effect an increase or a decrease to the margin or may be set at zero; and
 - (F) details of (i) other amendments which the Issuer proposes to make (if any) to these Conditions or any other Transaction Document and (ii) any new, supplemental or additional documents into which the Issuer proposes to enter to facilitate the changes envisaged pursuant to this Condition 12(b)(ii);
- (12) Noteholders holding or representing at least 10% of the Outstanding Note Principal Amount of the Most Senior Class of Notes outstanding (or, if the Notes have been redeemed in full, Certificateholders holding at least 10% in number of the Residual Certificates in issue) on the Modification Record Date have not contacted the Issuer or the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes or Residual Certificates may be held) within such notification period notifying the Issuer or the Note Trustee that such Noteholders (or Certificateholders, as the case may be) do not consent to the Modification or Benchmark Rate Modification.

If Noteholders representing at least 10% of the Outstanding Note Principal Amount of the Most Senior Class of Notes outstanding (or, if the Notes have been redeemed in full, Certificateholders holding at least 10% in number of the Residual Certificates then in issue) on the Modification Record Date have notified the Issuer or the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes or Residual Certificates may be held) within the notification period referred to

above that they do not consent to the Modification, then such Modification will not be made unless an Extraordinary Resolution of the holders of the Most Senior Class of Notes outstanding on the Modification Record Date is passed in favour of such Modification in accordance with Schedule 4 (*Provisions for Meetings of the Noteholders and the Certificateholders*) to the Trust Deed, provided that (A) in circumstances where the Issuer proposes a lower Note Rate Maintenance Adjustment on any Class of Notes other than the Most Senior Class than that which is proposed for the Most Senior Class of Notes or another Class of Notes which ranks senior to the Class of Notes to which the lower Note Rate Maintenance Adjustment is proposed to be made, such Extraordinary Resolution shall be passed by the holders of the Most Senior Class of Notes then outstanding and by and by the holders of each Class of Notes then outstanding to which the lower Note Rate Maintenance Adjustment is proposed to be made, and (B) in other circumstances, such Extraordinary Resolution shall be passed by holders of the Most Senior Class of Notes then outstanding.

Objections made in writing other than through the applicable clearing system must be accompanied by evidence to the Note Trustee's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes (or Certificateholder's holding of the Residual Certificates, as the case may be) on the Modification Record Date.

- (iii) Other than where specifically provided in this Condition 12(b)(ii) or any Transaction Document:
 - (1) when implementing any Modification or Benchmark Rate Modification pursuant to Condition 12(b)(ii):
 - (A) (save to the extent the Note Trustee considers that the proposed Modification or Benchmark Rate Modification would constitute a Basic Terms Modification), the Note Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely and without investigation or liability on any Modification Certificate or Benchmark Rate Modification Certificate (or other certificate or evidence provided to it by the Issuer (or the Servicer on its behalf) or the relevant Transaction Party, as the case may be, pursuant to Condition 12(b)(ii)) and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such Modification or Benchmark Rate Modification is or may be materially prejudicial to the interests of any such person; and
 - (B) neither the Note Trustee nor the Security Trustee shall be obliged to agree to any Modification or Benchmark Rate Modification which, in its sole opinion of would have the effect of (i) exposing it to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing its obligations or duties, or decreasing its rights, powers, authorisations, discretions,

indemnification or protections, in the Transaction Documents and/or these Conditions.

- (iv) Any Modification or Benchmark Rate Modification shall be binding on all Noteholders and Certificateholders and shall be notified by the Issuer as soon as reasonably practicable to:
 - (1) so long as any of the Notes rated by the Rating Agencies remains outstanding, each Rating Agency; and
 - (2) the Secured Creditors; and
 - (3) the Noteholders in accordance with Condition 15 (*Notices*).
- (v) Following the making of a Benchmark Rate Modification, if it becomes generally accepted market practice in the publicly listed asset backed floating rate notes market to use a Benchmark Rate of interest which is different from the Alternative Benchmark Rate which had already been adopted by the Issuer in respect of the Notes pursuant to a Benchmark Rate Modification, the Issuer is entitled to propose a further Benchmark Rate Modification pursuant to Condition 12(b)(ii)(9).
- (vi) The Note Trustee may, and may direct the Security Trustee to, without the consent or sanction of the Noteholders, the Certificateholders or the other Secured Creditors and without prejudice to its rights in respect of any subsequent breach or Event of Default or Potential Event of Default, at any time and from time to time but only if and in so far as in its opinion the interests of the Most Senior Class of Notes shall not be materially prejudiced thereby, waive or authorise any breach or proposed breach by the Issuer or any other person of any of the covenants or provisions contained in these Conditions, the Residual Certificate Conditions or any other Transaction Document or determine that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of these Conditions.

(c) **Additional Modifications**

- (i) Notwithstanding Condition 12(b) (*Amendments and waiver*) above, the Issuer may modify the terms of the Collection Account Declarations of Trust without the consent of the Note Trustee provided that such modification is made in accordance with the terms of the relevant Collection Account Declaration of Trust and does not adversely affect the rights or obligations of the Issuer thereunder (for the avoidance of doubt, and without limitation, a modification to a Collection Account Declaration of Trust will adversely affect the rights or obligations of the Issuer if it has the effect of reducing any amount held on trust for the Issuer or which the Issuer is entitled to receive under that Collection Account Declaration of Trust). Condition 12(b)(iv) above shall not apply to a modification made to a Collection Account Declaration of Trust in accordance with the terms of this Condition 12(c)(i).
- (ii) In connection with any such substitution of principal debtor referred to in Condition 5(b) (*Redemption for taxation reasons*), the Note Trustee may also agree, without the consent of the Noteholders or the other Secured Creditors, to a change in the laws governing these Conditions and/or any of the Transaction Documents, provided that such change would not, in the opinion of the Note Trustee, be materially prejudicial to the interests of the Noteholders.

(d) **Substitution and exchange**

- (i) Subject to the more detailed provisions of the Trust Deed and subject to such amendment of the Trust Deed, the Deed of Charge and any other Transaction Documents and such other conditions as the Note Trustee may require, including as to satisfaction that the interests of the Noteholders will not be materially prejudiced by the substitution or exchange and as to the transfer of the Security, but without the consent of the Noteholders or any of the Secured Creditors, the Note Trustee may agree to (i) the substitution of any other company or other entity in place of the Issuer as principal debtor under the Trust Deed, the Notes and the Residual Certificates and replacement for it under the Deed of Charge and any other Transaction Documents, provided that the Rating Agencies confirm that such substitution will not adversely affect the then current rating of each Class, or (ii) the exchange of the Notes and the Residual Certificates, in whole but not in part only, for other securities or instruments having substantially the same rights and benefits as the Notes and the Residual Certificates, provided that the then current rating of each Class by the Rating Agencies is attributed to any such new securities or instruments. Such substitution or exchange will be subject to the relevant provisions of the Trust Deed and the other Transaction Documents and to such amendments of the Trust Deed and the other Transaction Documents as the Note Trustee may deem appropriate. Under the Trust Deed, the Issuer is required to use its best efforts to cause the substitution as principal debtor under the Trust Deed, the Notes and the Residual Certificates and replacement for it under the Deed of Charge and any other Transaction Documents by a company or other entity incorporated in some other jurisdiction (approved by the Note Trustee) if the Issuer becomes subject to any form of tax on its income or payments on the Notes. Any such substitution will be binding on the Noteholders.
- (ii) The Note Trustee may, without the consent of the Noteholders or any of the other Secured Creditors, agree to a change in the place of residence of the Issuer for taxation purposes provided (i) the Issuer does all such things as the Note Trustee may require in order that such change is fully effective and complies with such other requirements in the interests of the Noteholders as it may request and (ii) the Issuer provides the Note Trustee with an opinion of counsel satisfactory to the Note Trustee to the effect that the change of residency of the Issuer will not cause any withholding or deduction to be made on payments on the Notes or the Residual Certificates.

(e) **Entitlement of the Note Trustee**

Where, in connection with the exercise of its powers, trusts, authorities or discretions (including, without limitation those with respect to any proposed amendment, waiver, authorisation or substitution) in relation to these Conditions or any other Transaction Document, the Note Trustee is required to take into account the interests of the Noteholders as a Class it will have regard to general interests of such Class and, without prejudice to the generality of the foregoing, will not take into account the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Note Trustee will not be entitled to require, nor will any Noteholders be entitled to claim, from the Issuer or any other person any indemnification or payment for any tax consequence of any exercise for individual Noteholders.

13. ***Indemnification of the Note Trustee and the Security Trustee***

The Trust Deed, the Deed of Charge and certain other of the Transaction Documents contain provisions for the indemnification of the Note Trustee and the Security Trustee and for their relief from responsibility including for the exercise of any rights under the Trust Deed and the other Transaction Documents (including, but without limitation, with respect to the Security), for the sufficiency and enforceability of the Trust Deed and the other Transaction Documents (which the Note Trustee has not investigated) and the validity, sufficiency and enforceability of the Deed of Charge and for taking proceedings to enforce payment unless, in each case, indemnified and/or secured and/or prefunded to its satisfaction. The Note Trustee and the Security Trustee and any of their affiliates are entitled to enter into business transactions with the Issuer, any subsidiary or other affiliate of the Issuer or any other party to the Transaction Documents or any obligor with respect to any of the Security or any of their subsidiary, holding or associated companies and to act as Trustee or Security Trustee for the holders of any securities issued by any of them without, in any such case, accounting to the Noteholders for any profit resulting therefrom.

The Note Trustee and the Security Trustee are exempted from liability with respect to any loss or theft or reduction in value of the Security and from any obligation to insure or to cause the insuring of the Security.

The Trust Deed and the Deed of Charge provide that the Note Trustee or the Security Trustee will be obliged to take action on behalf of the Noteholders and the Secured Creditors in certain circumstances, provided always that the Note Trustee and/or the Security Trustee (as the case may be) is indemnified and/or secured and/or prefunded to its satisfaction. Further, the Note Trustee will not be obliged to act on behalf of the Noteholders or any other Secured Creditors where it would not have the power to do so by virtue of any applicable law or where such action would be illegal in any applicable jurisdiction.

14. ***Replacement of Notes***

If a Note is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws and regulations, at the specified office of the Registrar on payment by the claimant of the taxes, fees and costs properly incurred in connection with such replacement and on such terms as to evidence, security and indemnity as the Issuer, the Note Trustee, the Registrar or the Paying Agent may require and otherwise as the Issuer may require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

15. ***Notices***

All notices to the Noteholders hereunder, and in particular the notifications mentioned in Condition 10 (*Events of Default*), shall be delivered to Euroclear and Clearstream, Luxembourg for communication by it to the Noteholders. Any such notice shall be deemed to have been given to all Noteholders on the date on which such notice was delivered to Euroclear and Clearstream, Luxembourg and (so long as the relevant Notes are admitted to trading and listed on the official list of Euronext Dublin), any notice shall also be published in accordance with the relevant guidelines of Euronext Dublin by a notification in writing to the Company Announcement Office of Euronext Dublin.

Any notice to the Noteholders will be validly given if transmitted individually to the address set out in the Register for such Noteholder. While any of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes are represented by a Global Note, such notice may be given by any Holder of a Class A Note, Class B Note, Class C Note, Class D Note, Class E Note and Class X Notes to the Registrar through Clearstream, Luxembourg and/or Euroclear, as the case may be, in such manner as the Registrar and Clearstream, Luxembourg and/or Euroclear, as the case may be, may approve for this purpose.

16. ***Governing law and jurisdiction***

- (a) The Notes and all non-contractual obligations arising out of or in connection with the Notes are governed by, and will be construed in accordance with, English law.
- (b) The courts of England will have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes (including a dispute relating to the existence, validity or termination of the Notes or any non-contractual obligation arising out of or in connection with the Notes) and any legal action or proceedings arising out of or in connection with such disputes may be brought in such courts. The Issuer irrevocably submits to the exclusive jurisdiction of such courts and waives any objections to proceedings in such courts on the ground of venue or on the ground that they have been brought in an inconvenient forum. This submission is for the benefit of the Security Trustee and will not limit the right of the Security Trustee to take legal action or proceedings in any other court of competent jurisdiction nor will the taking of such proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction (whether concurrently or not).

17. ***Rights of third parties***

No person will have any right to enforce any term or condition of the Notes by virtue of the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

CONDITIONS OF THE RESIDUAL CERTIFICATES

The following is the text of the terms and conditions which, subject to completion and amendment, will be applicable to any Residual Certificates represented by the Global Residual Certificate in global form and the Residual Certificates in definitive form issued in exchange for the Residual Certificate in global form and which will be endorsed on such residual certificates.

The 100,000 residual certificates (the "**Residual Certificates**") are constituted by a trust deed (the "**Trust Deed**") dated on or about 12 July 2018 (the "**Closing Date**") between Azure Finance No. 1 plc (the "**Issuer**") and Citicorp Trustee Company Limited (the "**Note Trustee**", which expression will include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for, *inter alios*, the Certificateholders (as defined in Residual Certificate Condition 1 (*Form and title*)).

The Residual Certificates are secured pursuant to and on the terms set out in a deed of charge (the "**Deed of Charge**") dated on or about the Closing Date between the Issuer and Citicorp Trustee Company Limited (in this capacity, the "**Security Trustee**", which expression includes its permitted successors and assigns) on certain assets of the Issuer including, without limitation, the Issuer's rights, title, interest and benefit, present and future, in, under and to all its assets including the Issuer's rights, title, interest and benefit, present and future, in, under and to the Transaction Documents (as defined below) which include an agency agreement (the "**Agency Agreement**") dated on or about the Closing Date between the Issuer, the Note Trustee, the Security Trustee, Citibank, N.A., London Branch as paying agent (in such capacity, the "**Paying Agent**", which expression includes its permitted successors and assigns), and Citibank, N.A., London Branch as registrar (the "**Registrar**", which expression includes its permitted successors and assigns).

The security created under the Deed of Charge, and all further security created under such document, are together referred to as the "**Security**".

The Trust Deed, the Deed of Charge, the corporate services agreement dated on or about the Closing Date between, *inter alios*, the Issuer, Holdings and Intertrust Management Limited as corporate services provider (the "**Corporate Services Provider**", which expression includes its permitted successors and assigns) (the "**Corporate Services Agreement**"), a 1992 ISDA master agreement, the schedule thereto and the credit support annex thereunder (the "**Credit Support Annex**") each dated on or about 12 July 2018 and the interest rate cap confirmation between J.P. Morgan AG as cap provider (the "**Cap Provider**", which expression includes its permitted successors and assigns) and the Issuer (together, the "**Cap Agreement**"), the Agency Agreement, the Receivables Sale and Purchase Agreement (as defined below), the Servicing Agreement (as defined below), the Bank Account Agreement dated on or about the Closing Date between the Issuer, the Security Trustee and Citibank, N.A., London Branch as Account Bank (the "**Account Bank**", which expressions include its permitted successors and assigns) (the "**Bank Account Agreement**"), the cash management agreement dated on or about the Closing Date between, *inter alios*, the Issuer and Citibank, N.A., London Branch, as cash manager (the "**Cash Manager**"), (the "**Cash Management Agreement**"), the standby servicer agreement dated on or about the Closing Date between, *inter alios*, the Issuer, the Standby Servicer and the Servicer (the "**Standby Servicer Agreement**"), the Vehicle Declaration of Trust and the master definitions schedule dated on or about the Closing Date between, *inter alios*, the Issuer, the Seller, the Note Trustee and the Security Trustee (the "**Master Definitions Schedule**") are, together with the Receivables Sale and Purchase Agreement, the Servicing Agreement, the Netting Letter, the Conditions and these Residual Certificate Conditions (each as defined below), referred to as the "**Transaction Documents**". References to each of the Transaction Documents are to it as from time to time modified in accordance with its provisions and any deed or other document expressed to be supplemental to it, as from time to time so modified.

Statements in these terms and conditions (the "**Residual Certificate Conditions**") are subject to the detailed provisions of the Trust Deed, the Deed of Charge, the Agency Agreement and the other Transaction Documents, copies of which are available for inspection at the specified office for the time being of the Paying Agent. The holders of the Residual Certificates are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions contained in the Trust Deed, the Deed

of Charge, and those applicable to them in the Agency Agreement and the other Transaction Documents.

References to "Residual Certificate Conditions" are, unless the context otherwise requires, to the numbered paragraphs of these Residual Certificate Conditions. Words and expressions used in these Residual Certificate Conditions without definitions will have the meanings given to them in Master Definitions Schedule.

The issue of the Notes and the Residual Certificates was authorised by a resolution of the board or directors of the Issuer passed on 6 July 2018.

1. **Form and title**

- (a) The Residual Certificates are issued in registered global form.
- (b) The Residual Certificates which are offered and sold outside the United States to non-U.S. persons in reliance on Regulation S will be represented by beneficial interests in the Global Residual Certificate.
- (c) The Issuer will cause to be kept at the specified office of the Registrar a register (the "**Register**") on which will be entered the names and addresses of the Certificateholders and the particulars of such Residual Certificates held by them and all transfers, advances, payments cancellations and replacements of such Residual Certificates. In these Residual Certificate Conditions, "**Residual Certificates**" means, with respect to any Residual Certificate, the Global Residual Certificate or a Definitive Residual Certificate, as the case may be and "**Certificateholder**" means the holder of a Residual Certificate.
- (d) Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Note Trustee, the Registrar, the Paying Agent (notwithstanding any notice to the contrary and whether or not it is overdue and notwithstanding any notation of ownership or writing on any Residual Certificate or notice of any previous loss or theft of any Residual Certificate) may (i) for the purpose of making payment on or on account of any Residual Certificate deem and treat the person (or, in the case of a joint holding, the first named person) in whose name any Global Residual Certificate or Definitive Residual Certificate is registered at that time in the Register (which will be conclusive evidence of such holding in the absence of manifest error, fraud or wilful default) as the absolute owner of such Residual Certificate and all rights under such Residual Certificate free from all encumbrances, and will not be required to obtain further proof of such ownership or as to the identity of the registered holder of any Global Residual Certificate or Definitive Residual Certificate and (ii) for all other purposes deem and treat the person in whose name any Global Residual Certificate or Definitive Residual Certificate is registered at the relevant time in the Register as the absolute owner of and of all rights under such Residual Certificate free from all encumbrances and will not be required to obtain further proof of such ownership or as to the identity of the registered holder of any Global Residual Certificate or Definitive Residual Certificate. Notwithstanding the above, so long as any of the Residual Certificates are represented by the Global Residual Certificate, the term "**Certificateholders**" will include the persons then set out in the records of Euroclear and/or Clearstream, Luxembourg, as the holders of a particular number of Residual Certificates for all purposes other than in respect of payments on the Residual Certificates, the right to which will be vested as against the Issuer solely in the holder of the Global Residual Certificate in accordance with and subject to its terms.
- (e) A Residual Certificate is not transferable except in accordance with the restrictions described in these Residual Certificate Conditions and in the Trust Deed and the Agency Agreement. Any sale or transfer in violation of the foregoing will be of no force

and effect, will be void *ab initio*, and will not operate to transfer any rights to the transferee, notwithstanding any instructions to the contrary given by the Issuer, the Note Trustee or any intermediary. Each transferor of a Residual Certificate agrees to provide notice of the transfer restrictions set out in these Residual Certificate Conditions and in the Trust Deed to the transferee.

- (f) No transfer of Residual Certificates will be valid unless entered on the Register and no transfer of Residual Certificates will be registered for a period of two Business Days immediately preceding each Interest Payment Date of any of the relevant Residual Certificates.
- (g) Residual Certificates which are represented by the Global Residual Certificate will be transferable only in accordance with the rules and procedure for the time being of Clearstream, Luxembourg and Euroclear, as the case may be.

2. **Status and Security**

(a) **Status**

The Residual Certificates constitute secured, limited recourse obligations of the Issuer, ranking *pro rata* and *pari passu* without any preference among themselves. Residual Certificate Payments will be made subject to and in accordance with the Pre-Acceleration Priority of Payments or the Post-Acceleration Priority of Payments, as applicable.

(b) **Security**

As security for the Secured Obligations, the Issuer has entered into the Deed of Charge as described above creating the Security as described above in favour of the Security Trustee for itself and on trust for the Secured Creditors.

(c) **Application of proceeds**

The Issuer will use the net proceeds of the issue of the Notes and the Residual Certificates to finance the purchase from BMFL (the "**Seller**"), of a portfolio of Receivables and their Ancillary Rights pursuant to an agreement dated on or about the Closing Date between the Seller, the Issuer, the Security Trustee and the Note Trustee (the "**Receivables Sale and Purchase Agreement**"). The Seller will continue to administer and collect the Purchased Receivables as agent for the Issuer in its capacity as servicer ("**Servicer**", which expression includes its permitted successors and assigns) under a Servicing Agreement dated on or about the Closing Date between the Servicer, the Issuer, the Note Trustee and the Security Trustee (the "**Servicing Agreement**").

(d) **Pre-Acceleration Revenue Priority of Payments**

On each Interest Payment Date falling prior to the service of a Note Acceleration Notice on the Issuer by the Note Trustee, the Issuer will distribute the Available Revenue Receipts (other than the amounts referred to in paragraph (g) of that definition) on each Interest Payment Date in accordance with the following Pre-Acceleration Revenue Priority of Payments (in each case only if and to the extent that payments or provisions of higher priority have been paid in full):

- (a) first, for the Issuer to retain as profit the Issuer Profit Amount on the Issuer Profit Ledger from which the Issuer will discharge its corporate income or corporation tax liability (if any);

- (b) then, *pro rata* and *pari passu*, to pay all amounts due under the Transaction Documents to the Security Trustee and any Receiver or to the Note Trustee on account of their fees and expenses (including any legal fees and expenses), claims, costs, liabilities or any indemnity payments plus any tax on any of the foregoing;
- (c) then, *pro rata* and *pari passu*, to pay:
 - (i) the Senior Expenses then due or overdue by the Issuer (excluding any amounts paid under item (b) above);
 - (ii) any amount due from the Issuer to the Rating Agencies as surveillance or monitoring fees or to the Irish Listing Agent or Euronext Dublin as fees and expenses in connection with the maintenance of the listing of the Notes, together with any amount in respect of VAT (if any) on those amounts;
 - (iii) any fees, costs, taxes (including VAT but excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses, indemnity payments and other amounts properly due and payable to the directors of the Issuer (properly incurred with respect to their duties), legal advisers, tax advisers or auditors of the Issuer, and any other amounts due and payable by the Issuer to third parties in connection with the Issuer's ownership of the Purchased Receivables, the Notes, the establishment, liquidation and/or dissolution of the Issuer, or any annual return, filing, registration and registered office or other company, licence or statutory fees in England (excluding any amounts expressly payable as Senior Expenses); and
 - (iv) any amounts due and payable by the Issuer to the Cap Provider as Interest Amounts (as defined in the Cap Agreement) not otherwise discharged by the Issuer on such Interest Payment Date;
- (d) then, *pro rata* and *pari passu*, to pay the Class A Noteholders any due and payable Class A Interest Amount on the Class A Notes and any Class A Interest Shortfall;
- (e) then, to the Reserve Fund Ledger (Class A) in an amount up to the amount required to make the balance of the Reserve Fund Ledger (Class A) equal to the Reserve Fund Required Amount (Class A) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (e));
- (f) then, an amount sufficient to eliminate any debit on the Principal Deficiency Sub-ledger (Class A) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (f));
- (g) then, *pro rata* and *pari passu*, to pay the Class B Noteholders any due and payable Class B Interest Amount on the Class B Notes and any Class B Interest Shortfall;
- (h) then, to the Reserve Fund Ledger (Class B) in an amount up to the amount required to make the balance of the Reserve Fund Ledger (Class B) equal to the Reserve Fund Required Amount (Class B) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (h));

- (i) then, an amount sufficient to eliminate any debit on the Principal Deficiency Sub-ledger (Class B) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (i));
- (j) then, *pro rata* and *pari passu*, to pay the Class C Noteholders any due and payable Class C Interest Amount on the Class C Notes and any Class C Interest Shortfall;
- (k) then, to the Reserve Fund Ledger (Class C) in an amount up to the amount required to make the balance of the Reserve Fund Ledger (Class C) equal to the Reserve Fund Required Amount (Class C) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (k));
- (l) then, an amount sufficient to eliminate any debit on the Principal Deficiency Sub-ledger (Class C) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (l));
- (m) then, *pro rata* and *pari passu*, to pay the Class D Noteholders any due and payable Class D Interest Amount on the Class D Notes and any Class D Interest Shortfall;
- (n) then, to the Reserve Fund Ledger (Class D) in an amount up to the amount required to make the balance of the Reserve Fund Ledger (Class D) equal to the Reserve Fund Required Amount (Class D) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (n));
- (o) then, an amount sufficient to eliminate any debit on the Principal Deficiency Sub-ledger (Class D) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (o));
- (p) then, *pro rata* and *pari passu*, to pay the Class E Noteholders any due and payable Class E Interest Amount on the Class E Notes and any Class E Interest Shortfall;
- (q) then, to the Reserve Fund Ledger (Class E) in an amount up to the amount required to make the balance of the Reserve Fund Ledger (Class E) equal to the Reserve Fund Required Amount (Class E) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (q));
- (r) then, an amount sufficient to eliminate any debit on the Principal Deficiency Sub-ledger (Class E) (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (r));
- (s) then, *pro rata* and *pari passu*, to pay the Class X Noteholders any due and payable Class X Interest Amount on the Class X Notes and any Class X Interest Shortfall;
- (t) then, *pro rata* and *pari passu*, to pay the Class X Noteholders, in accordance with the respective amounts thereof, principal on the Class X Notes;
- (u) then, to pay any indemnity payments to any party under the Transaction Documents not otherwise payable above; and
- (v) then, *pro rata* and *pari passu*, to pay all remaining amounts to the Certificateholders as the Residual Certificate Payments.

On each Interest Payment Date falling prior to the earlier of (i) the service of a Note Acceleration Notice on the Issuer by the Note Trustee, (ii) the date on which the Aggregate Outstanding Principal Balance is zero and (iii) the Legal Maturity Date, if the Cash Manager determines that there will be an Interest Collection Shortfall following the application of the Available Revenue Receipts (other than amounts referred to in paragraph (g) of that definition) on such Interest Payment Date the Issuer shall apply the Reserve Fund Release Amount in the following order:

- (i) first, to pay any amounts remaining due and payable under items (a) to (d) (inclusive) above in each case only if and to the extent that payments or provisions of higher priority have been paid in full up to the balance standing to the credit of the Reserve Fund Ledger (Class A);
- (ii) second, to pay any amounts remaining due and payable under items (a) to (c) (inclusive) and (g) above up to the balance standing to the credit of the Reserve Fund Ledger (Class B);
- (iii) third, to pay any amounts remaining due and payable under items (a) to (c) (inclusive) and (j) above up to the balance standing to the credit of the Reserve Fund Ledger (Class C);
- (iv) fourth, to pay any amounts remaining due and payable under items (a) to (c) (inclusive) and (m) above up to the balance standing to the credit of the Reserve Fund Ledger (Class D); and
- (v) fifth, to pay any amounts remaining due and payable under items (a) to (c) (inclusive) and (p) above up to the balance standing to the credit of the Reserve Fund Ledger (Class E).

The Reserve Fund Release Amount shall only be applied in meeting such Interest Collection Shortfall against the relevant items referred to in items (i) to (v) above.

(e) **Enforcement of the Security**

Following the occurrence of an Event of Default and the service of a Note Acceleration Notice in accordance with Residual Certificate Condition 8 (*Events of Default*) below the Security will become enforceable and the Note Trustee may at its discretion direct the Security Trustee to take action to enforce the Security, and, following redemption of the Notes in full, will direct the Security Trustee to take such action to enforce the Security as directed by the holders of at least 25% in number of the Residual Certificates then in issue or if so directed by an Extraordinary Resolution of the Certificateholders.

Thereafter, the Note Trustee may at any time, at its discretion (and will do so if it has been directed to do so by the holders of at least 25% in number of the Residual Certificates then in issue or if so directed by an Extraordinary Resolution of the Certificateholders), and without notice and in such manner as it deems appropriate:

- (i) take such proceedings and/or other steps as it may deem appropriate against or with respect to the Issuer or any other person to enforce its obligations under the Trust Deed, the Transaction Documents or these Residual Certificate Conditions and/or take any other proceedings (including lodging an appeal in any proceedings) with respect to or concerning the Issuer; and/or
- (ii) exercise any of its rights under, or in connection with, the Trust Deed or any other Transaction Document; and/or

- (iii) give any directions to the Security Trustee under or in connection with any Transaction Document.

To the extent that the Note Trustee acts in accordance with such directions of the Certificateholders, as described above, it will have no obligation to take the interests of any other party into account or to follow any direction given by any other party.

(f) **Post-Acceleration Priority of Payments**

The Deed of Charge sets out the priority of distribution by the Security Trustee, following the service of a Note Acceleration Notice on the Issuer (known as the "**Post-Acceleration Priority of Payments**"), of amounts received or recovered by the Security Trustee (or a receiver appointed on its behalf).

The Security Trustee will apply amounts (other than amounts representing (i) any Excess Cap Collateral which shall be returned directly to the Cap Provider (and for the avoidance of doubt, such payment shall be without regard to the relevant Priority of Payments) and (ii) in respect of the Cap Provider, prior to the designation of an early termination date under the Cap Agreement and the resulting application of the collateral by way of netting or set-off, an amount equal to the value of all Cap Collateral (other than Excess Cap Collateral) (and any interest or distributions in respect thereof)) received or recovered following enforcement of the Security in the following order of priority (in each case only if and to the extent that payments or provisions of higher priority have been paid in full):

- (a) first, *pro rata* and *pari passu*, to pay all amounts due under the Transaction Documents to the Security Trustee and any Receiver or to the Note Trustee on account of their fees and expenses (including any legal fees and expenses), claims, costs, liabilities or any indemnity payments plus any tax on any of the foregoing;
- (b) then, *pro rata* and *pari passu*, to pay the Senior Expenses then due or overdue by the Issuer (excluding any amounts paid under item (a) above);
- (c) then, *pro rata* and *pari passu*, to pay the Class A Noteholders amounts in respect of interest and principal due and payable on the Class A Notes until the Class A Notes are redeemed in full;
- (d) then, *pro rata* and *pari passu*, to pay the Class B Noteholders amounts in respect of interest and principal due and payable on the Class B Notes until the Class B Notes are redeemed in full;
- (e) then, *pro rata* and *pari passu*, to pay the Class C Noteholders amounts in respect of interest and principal due and payable on the Class C Notes until the Class C Notes are redeemed in full;
- (f) then, *pro rata* and *pari passu*, to pay the Class D Noteholders amounts in respect of interest and principal due and payable on the Class D Notes until the Class D Notes are redeemed in full;
- (g) then, *pro rata* and *pari passu*, to pay the Class X Noteholders amounts in respect of interest and principal due and payable on the Class X Notes until the Class X Notes are redeemed in full;
- (h) then, *pro rata* and *pari passu*, to pay the Class E Noteholders amounts in respect of interest and principal due and payable on the Class E Notes until the Class E Notes are redeemed in full;

- (i) then, for the Issuer to retain as profit the Issuer Profit Amount and to pay any corporate income or corporation tax liability not otherwise able to be paid from the Issuer Profit Ledger; and
- (j) then, *pro rata* and *pari passu*, to pay all remaining amounts to the Certificateholders as the Residual Certificate Payments.

(g) **Shortfall after application of proceeds**

If the net proceeds of the Security being enforced and liquidated in accordance with the Deed of Charge are not sufficient, after payment of all other claims ranking in priority to the Residual Certificates, to cover all payments due on the Residual Certificates, the obligations of the Issuer under the Residual Certificates will be limited to such net proceeds and such net proceeds will be applied in accordance with the Deed of Charge and no other assets of the Issuer will be available for any further payments on the Residual Certificates. The right to receive any further payments of any such shortfall remaining after enforcement of the Security and application of the proceeds of the Security in accordance with the Post-Acceleration Priority of Payments will be extinguished.

(h) **Relationship between the Notes and the Residual Certificates**

- (i) The Residual Certificates are subordinate to all payments due in respect of the Notes.
- (ii) The Trust Deed contains provisions requiring the Note Trustee to take into account the interests of the Certificateholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee (except where expressly provided otherwise), but requiring the Note Trustee, in any such case, for so long as any Notes remain outstanding, to take into account only the interests of the Noteholders (or the relevant Class thereof) if, in the opinion of the Note Trustee, there is a conflict between the interests of the Noteholders (or any Class thereof) and the interests of the Certificateholders.
- (iii) For so long as any Notes remain outstanding, none of the Certificateholders may request or direct the Note Trustee or the Issuer to take any action or pass any effective Extraordinary Resolution if the effect of the same would, in the sole opinion of the Note Trustee, be materially prejudicial to the interests of the Noteholders (or any Class thereof), and neither the Note Trustee nor the Issuer will be responsible to the Certificateholders for disregarding any such request, direction or resolution.

(i) **Assumption of no material prejudice**

The Note Trustee will be entitled to assume, for the purposes of exercising any right, power, duty or discretion under or with respect to these Residual Certificate Conditions, the Conditions, the Trust Deed, the Deed of Charge or any of the other Transaction Documents or for the purposes of Residual Certificate Condition 2(h) (*Relationship between the Notes and the Residual Certificates*), that to do so will not be materially prejudicial to the interests of the Certificateholders (i) if it has obtained the consent of the Certificateholders or (ii) with respect to a non-economic or non-financial matter, if the Note Trustee obtains an opinion of counsel to such effect.

3. **Covenants**

3.1 So long as any of the Residual Certificates remains outstanding, the Issuer shall:

- (a) comply with and perform all its obligations under the Transaction Documents and use all reasonable endeavours to procure that each party to any of the Transaction Documents complies with and performs all their respective obligations thereunder;

- (b) at all times use all reasonable endeavours to procure that a Servicer is appointed in accordance with the terms of the Servicing Agreement and that a Cash Manager is appointed in accordance with the terms of the Cash Management Agreement;
- (c) at all times procure that hedging arrangements on terms substantially similar to those in the Cap Agreement are maintained by it; and
- (d) at all times ensure that its central management and control is exercised in the United Kingdom.

3.2 So long as any of the Residual Certificates remains outstanding, the Issuer will not without the prior consent of the Note Trustee, unless otherwise provided by these Residual Certificate Conditions or the Transaction Documents:

- (a) carry on any business other than performing its functions and duties and discharging its obligations and liabilities set out in the Transaction Documents and with respect to that business will not engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or do anything except:
 - (i) finance, acquire, hold and dispose of the Purchased Receivables;
 - (ii) issue, enter into, amend, exchange, repurchase or cancel the Notes and/or the Residual Certificates;
 - (iii) enter into, amend, consent to any variation of, or release any party from any obligation under, any of the Notes, the Residual Certificates the Transaction Documents and agreements relating or incidental to the issue and constitution of, and the granting of security for, the Notes and the Residual Certificates;
 - (iv) own and exercise its rights with respect to the Security and its interests in the Security and perform its obligations with respect to the Security and the Transaction Documents;
 - (v) preserve and/or exercise and/or enforce any of its rights and perform and observe its obligations under the Notes, the Residual Certificates, the Transaction Documents and agreements relating or incidental to the issue and constitution of, and the granting of security for the Notes and the Residual Certificates;
 - (vi) use any of its property or assets in the manner provided in or contemplated by the Transaction Documents; and
 - (vii) perform any other act incidental to or necessary in connection with the above;
- (b) have any employees or own any premises;
- (c) incur any financial indebtedness with respect to borrowed money or give any guarantee or indemnity in respect of any financial indebtedness or of any other obligation of any person or enter into any hedging or derivative contract except under the Notes and the Residual Certificates or pursuant to the Transaction Documents;
- (d) create or permit any mortgage, charge, pledge, lien or any encumbrance or other security interest over, any of, its assets or undertaking (other than for the avoidance of doubt, any security created pursuant to the Deed of Charge or as expressly contemplated by the Transaction Documents);

- (e) permit the validity or effectiveness of or the priority of the Security created by the Deed of Charge or the priority of any security interests created or evidenced thereby to be amended, varied, terminated, postponed or discharged, or permit any person or any party to any of the Transaction Documents to which it is a party whose obligations form part of the Security to be released from such obligations;
- (f) transfer, sell, lend, use, invest, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets or undertakings or any interest, estate, right, title or benefit therein;
- (g) pay any dividend or make any other distribution to its shareholders or issue any further shares other than payment of dividends in any accounting period which do not exceed the aggregate amount left to the Issuer after Tax (if any) is charged on the Issuer Profit Amount;
- (h) commingle its property or assets with the property or assets of any other person;
- (i) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any person;
- (j) have any subsidiaries or subsidiary undertakings (each as defined in the Companies' Act 2006);
- (k) have an "establishment" (as defined in the EU Insolvency Regulation, the Recast Insolvency Regulation and the UNCITRAL Implementing Regulations) or take any action that will cause its "centre of main interests" (for the purposes of the EU Insolvency Regulation, the Recast Insolvency Regulation and the UNCITRAL Implementing Regulations) to be located in any jurisdiction other than the United Kingdom or register as a company in any jurisdiction other than England;
- (l) issue any shares in the Issuer (other than such shares as are in issue as at the Closing Date);
- (m) permit any of the Transaction Documents to which it is a party to become invalid or ineffective or exercise any right to terminate any of the Transaction Documents to which it is a party;
- (n) have an interest in any bank account other than the Issuer Accounts and (under the Collection Account Declarations of Trust) the Collection Accounts, open any further account for the purposes of depositing any monies it receives in connection with the Transaction Documents, unless such account is secured in favour of the Security Trustee for the benefit of the Secured Creditors;
- (o) agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Transaction Documents to which it is a party;
- (p) permit any person or any party to any of the Transaction Documents to which it is a party to be released from its obligations;
- (q) prejudice its eligibility for its corporation tax liability to be calculated in accordance with regulation 14 of the TSC Regulations;
- (r) acquire obligations or securities of its officers or shareholders; and
- (s) amend its articles of association or any of its other constitutional documents.

3.3 In giving its consent to the foregoing, the Note Trustee may require the Issuer to amend the

Transaction Documents and/or may impose such other conditions as it deems to be in the interests of the Certificateholders, in accordance with Residual Certificate Condition 10 (*Meetings of Certificateholders and Noteholders, amendments, waiver, substitution and exchange*) below.

4. **Residual Certificate Payments**

(a) **Right to Residual Certificate Payments**

Each Residual Certificate represents a *pro rata* entitlement to receive Residual Certificate Payments.

(b) **Payment**

A Residual Certificate Payment may be payable in respect of the Residual Certificates on each Interest Payment Date and each date on which amounts are to be applied in accordance with the Post-Acceleration Priority of Payments.

(c) **Determination and publication of Residual Certificate Payment and Residual Certificate Payment Amount**

(i) With respect to each Interest Payment Date, on the Calculation Date preceding such Interest Payment Date, the Cash Manager shall determine the Residual Certificate Payment payable on such Interest Payment Date and the Residual Certificate Payment Amount payable in respect of each Residual Certificate on such Interest Payment Date and shall notify the Issuer, the Corporate Services Provider, the Registrar, the Paying Agent, the Note Trustee and, on behalf of the Issuer, by means of notification in accordance with Residual Certificate Condition 13 (*Notices*), the Certificateholders of the Residual Certificate Payment and the Residual Certificate Payment Amount.

(ii) All calculations made by the Cash Manager will (in the absence of manifest or proven error) be conclusive for all purposes and binding on the Note Trustee, the Certificateholders and all other parties.

(iii) If the Cash Manager does not at any time for any reason determine the Residual Certificate Payment Amount or any Residual Certificate Payment Amount in accordance with the foregoing Residual Certificate Conditions, the Note Trustee or its appointed agent will determine the Residual Certificate Payment and/or (as the case may be) calculate the Residual Certificate Payment Amount in the manner specified in this Residual Certificate Condition 4(c), and any such determination and/or calculation will be deemed to have been made by the Cash Manager.

(d) **Termination of Payments**

Following application of all Available Revenue Receipts and Available Principal Receipts pursuant to the applicable Priority of Payments on the Interest Payment Date on which the Clean-Up Call is exercised, no Residual Certificateholder shall be entitled to receive any further Residual Certificate Payments.

Following the redemption in full of the Notes (including in accordance with Condition 5(b) (*Redemption for taxation reasons*) and Condition 5(d) (*Clean-Up Call*)) the realisation of the Charged Property and payment of the proceeds of realisation in accordance with the applicable Priority of Payments, no more Residual Certificate Payments will be made by the Issuer and the Residual Certificates shall be cancelled.

5. **Payments**

(a) **Method of payment**

Except as provided below, payments on the Residual Certificates will be made by transfer to a Sterling account maintained by the payee with a bank as specified by the payee and notified to the Paying Agent at least two Business Days prior to the due date for the relevant payment.

(b) **Payments subject to applicable laws, etc.**

All payments are subject in all cases to:

- (i) any applicable fiscal or other laws, regulations and directives; and
- (ii) FATCA,

but without prejudice to the provisions of Residual Certificate Condition 6 (*Taxation*). No commission or expenses will be charged to the Certificateholders with respect to such payments.

(c) **Payments on Global Residual Certificate**

Payments made on Residual Certificates represented by the Global Residual Certificate will (subject as provided below) be made in the manner specified above with respect to Definitive Residual Certificates and otherwise in the manner specified in the Global Residual Certificate through Clearstream, Luxembourg and/or Euroclear. A record of payment made for the Global Residual Certificate will be entered into the records of Clearstream, Luxembourg and/or Euroclear and such record will be *prima facie* evidence that the payment in question has been made.

(d) **General provisions applicable to payments**

The holder of the Global Residual Certificate will be the only person entitled to receive payments on Residual Certificates represented by such Global Residual Certificate and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Residual Certificate with respect to each amount so paid. Each of the persons shown in the records of Clearstream, Luxembourg or Euroclear as the beneficial holder of Residual Certificates represented by such Global Residual Certificate must look solely to Clearstream, Luxembourg or Euroclear, as the case may be, for this share of each payment so made by the Issuer, or to the order of, the holder of such Global Residual Certificate.

(e) **Appointment of Agents**

The Paying Agent, the Registrar, the Interest Determination Agent and the Cash Manager initially appointed by the Issuer and their respective specified offices are listed at the end of these Residual Certificate Conditions. The Paying Agent, the Registrar, the Interest Determination Agent and the Cash Manager act solely as agents of the Issuer (unless an Event of Default has occurred or may with the lapse of time or the giving of notice occur, when such agents may be required to act as agents of the Note Trustee) and do not assume any obligation or relationship of agency or trust for or with any Certificateholders. The Issuer reserves the right at any time with the prior written approval of the Note Trustee (such approval not to be unreasonably withheld) to vary or terminate the appointment of the Paying Agent, the Registrar, the Interest Determination Agent or the Cash Manager and to appoint other Paying Agents, Registrars, Interest Determination Agents or Cash Managers, provided that

the Issuer will at all times maintain (i) a Cash Manager, (ii) a Registrar, (iii) an Interest Determination Agent and (iv) a Paying Agent.

Notice of any such change or any change of any specified office will promptly be given to the Certificateholders in accordance with Residual Certificate Condition 13 (*Notices*).

(f) **Non-business days**

If any date for payment on any Residual Certificate is not a Business Day, the Certificateholder shall not be entitled to payment until the next day which is a Business Day notwithstanding that the Certificateholder shall not be paid any interest or other sum with respect to such postponed payment. If the next Business Day should fall in the next calendar month, the payment shall be made on the immediately preceding Business Day.

(g) **Limited recourse**

(i) No amounts will be payable by the Issuer except in accordance with the Priority of Payments (excluding any Permitted Exceptions) and any payment obligations of the Issuer under the Residual Certificates may only be satisfied from the amounts received by it under or in connection with the Transaction Documents.

(ii) If the Security constituted by or pursuant to the Deed of Charge is enforced, and after payment of all other claims (if any) ranking in priority to or *pari passu* with each of the claims of the Secured Creditors under the Deed of Charge, the remaining proceeds of such enforcement are insufficient to pay in full all amounts due to each of the Secured Creditors and all other claims ranking *pari passu* to the claims of each such party, then the claims of each such party against the Issuer will be limited to their respective shares of such remaining proceeds (as determined in accordance with the provisions of the Deed of Charge) and, after payment to each such party of its respective share of such remaining proceeds, the obligations of the Issuer to each such party will be extinguished in full.

(iii) The provisions of this Residual Certificate Condition 5(g) will survive the termination of these Residual Certificate Conditions. In the case of discrepancy between this Residual Certificate Condition 5(g) and any other provision, the provisions of this Residual Certificate Condition 5(g) will prevail.

6. **Taxation**

All payments on the Residual Certificates will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of any nature by the Issuer or the Paying Agent unless required by law (or pursuant to FATCA), in which case the Issuer or the Paying Agent will make that payment net of such withheld or deducted amounts and will account to the relevant authorities for the amount required to be withheld or deducted. Neither the Issuer nor the Paying Agent will be obliged to make any additional payments to Certificateholders for such withholding or deduction.

7. **Prescription**

The Residual Certificates will become void unless claims for payment are made within 10 years of the Legal Maturity Date with respect to such Residual Certificates. After the date on which a Residual Certificate becomes void, no claim may be made with respect to such Residual Certificate.

8. **Events of Default**

If any of the following events (each an "**Event of Default**") occurs, the Note Trustee at its absolute discretion may, and, provided all of the Notes have been redeemed in full, if so directed by the holders of at least 25% in number of the Residual Certificates then in issue or if so directed by an Extraordinary Resolution of the Certificateholders (subject, in each case, to the Note Trustee being indemnified and/or secured and/or prefunded to its satisfaction), will give a Note Acceleration Notice to the Issuer, the Security Trustee, the Account Bank, the Cash Manager and the Paying Agent declaring that any Residual Certificate Payments pursuant to the Residual Certificates are immediately due and payable and each such Residual Certificate Payment will accordingly become immediately due and payable, without further action or formality:

- (a) an Insolvency Event occurs in respect of the Issuer;
- (b) a default occurs in the payment of any amount due in respect of the Residual Certificates (and such default is not remedied within 14 Business Days of its occurrence);
- (c) the Issuer fails to perform or observe any of its other material obligations under these Residual Certificate Conditions or the Transaction Documents and such failure continues for a period of 30 calendar days following written notice from the Note Trustee or any other Secured Creditors; or
- (d) the Deed of Charge (or any security interest purported to be created thereunder) shall, for any reason, cease to be in full force and effect or be declared to be null and void, or the validity or enforceability thereof shall be contested by the Issuer or the Issuer shall deny that it has any or further liability or obligation under the Deed of Charge (or with respect thereto).

Upon any Note Acceleration Notice being given by the Note Trustee in accordance with the terms of this Residual Certificate Condition 8 (*Events of Default*), notice to that effect will be given by the Note Trustee to all Certificateholders in accordance with Residual Certificate Condition 13 (*Notices*).

9. **Enforcement and non-petition**

Only the Note Trustee and the Security Trustee may pursue the remedies available under the Trust Deed or the Deed of Charge, as applicable, to enforce the rights of the Secured Creditors. No other Secured Creditor is entitled to proceed against the Issuer. Neither the Note Trustee nor any Secured Creditor may take any action or has any rights against the Issuer to recover any amount still unpaid once the Security is enforced and the net proceeds thereof distributed in accordance with Residual Certificate Condition 2 (*Status and Security*), and any such liability will be extinguished. None of the Note Trustee, the Security Trustee nor any Secured Creditor will be entitled, until the expiry of one year and one day after the Final Discharge Date, to petition or take any other step for the winding-up of the Issuer provided that the Security Trustee may prove or lodge a claim in the liquidation of the Issuer initiated by another party and provided further that the Security Trustee may take proceedings to obtain a declaration or similar judgment or order as to the obligations and liabilities of the Issuer.

The Note Trustee and the Security Trustee, as the case may be, in accordance with this Residual Certificate Condition 9 (*Enforcement and non-petition*), will, except as otherwise directed by the Most Senior Class of Notes acting by way of a Written Resolution or by way of an Extraordinary Resolution at the relevant date, or in relation to the Security Trustee only in relation to amendments and waiver, except as otherwise directed by the Note Trustee, have absolute and uncontrolled discretion as to the exercise and non-exercise of all rights, powers, authorities or discretions conferred upon them by or under the Trust Deed, the Deed of Charge or any Transaction Document to which they are a party or conferred upon them by operation of law.

The provisions of this Residual Certificate Condition 9 will survive the termination of these Residual Certificate Conditions. In the case of discrepancy between this Residual Certificate Condition 9 and any other provision, the provisions of this Residual Certificate Condition 9 will prevail.

10. ***Meetings of Certificateholders and Noteholders, amendments, waiver, substitution and exchange***

(a) **Meetings of Certificateholders and Noteholders**

- (i) The Trust Deed contains provisions for convening separate meetings of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class X Noteholders and the Certificateholders to consider any matter affecting their interests, including the sanctioning by a resolution passed at a meeting convened and held in accordance with the Trust Deed by at least 75% of votes cast (an "**Extraordinary Resolution**") of a modification of these Residual Certificate Conditions, the Conditions or the provisions of any of the Transaction Documents.
- (ii) Subject as provided below, the quorum at any meeting of Certificateholders for passing an Ordinary Resolution will be one or more persons holding or representing at least 20% in number of the Residual Certificates then in issue, or, at any adjourned meeting, one or more persons being or representing a Certificateholder, whatever the number of Residual Certificates held or represented by it or them.
- (iii) Subject as provided below, the quorum at any meeting of Certificateholders for passing an Extraordinary Resolution will be one or more persons holding or representing at least 50% in number of the Residual Certificates then in issue or, at any adjourned meeting, one or more persons being or representing a Certificateholder, whatever the number of Residual Certificates held or represented by them.
- (iv) The quorum at any meeting of Certificateholders for passing an Extraordinary Resolution to sanction:
 - (1) sanction a modification of the date of maturity of Notes;
 - (2) sanction a modification of the date of payment of principal or interest in respect of the Notes, or where applicable, of the method of calculating the date of payment of principal or interest in respect of the Notes, or of the method of calculating the date of payment in respect of the Residual Certificates;
 - (3) sanction a modification of the amount of principal or the rate of interest payable in respect of the Notes, or where applicable, of the

method of calculating the amount payable of any principal or interest in respect of the Notes, or of the method of calculating the amounts payable in respect of the Residual Certificates (including, in relation to any Class of Notes or the Residual Certificates, if any such modification is proposed for any Class of Notes ranking senior to such Class or the Residual Certificates in the Priorities of Payments);

- (4) alter the currency in which payments under the Notes or Residual Certificates are to be made;
- (5) alter the quorum or majority required in relation to this exception;
- (6) sanction any scheme or proposal for the sale, conversion or cancellation of the Notes or the Residual Certificates;
- (7) alter any of the provisions contained in this exception; or
- (8) any change to the definition of Basic Terms Modification,

(each, a "**Basic Terms Modification**") shall be one or more persons holding or representing at least 66 $\frac{2}{3}$ % in number of the Residual Certificates then in issue or, at any adjourned meeting, one or more persons holding or representing at least 25% in number of the Residual Certificates then in issue.

- (v) Subject to paragraph (vi) below and except in the case of an Extraordinary Resolution directing the Note Trustee to give a Note Acceleration Notice, as to which the provisions of Condition 10 (*Events of Default*) and Residual Certificate Condition 8 (*Events of Default*) shall apply:
 - (1) (subject as provided in paragraph (3) below) an Extraordinary Resolution passed at any meeting of the Most Senior Class of Notes shall be binding on (A) all other Classes of Notes and (B) the Certificateholders, irrespective of the effect upon them;
 - (2) no Extraordinary Resolution of any Class of Noteholders or the Certificateholders (other than an Extraordinary Resolution referred to in paragraph (C) of this proviso) shall be effective for any purpose unless either (A) the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of any more senior ranking Classes of Noteholders, (B) it is sanctioned by an Extraordinary Resolution of each of the more senior ranking Classes of Noteholders or (C) none of the more senior ranking Classes of Notes remains outstanding; and
 - (3) no Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of one Class of Notes or the Certificateholders shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of the other Classes of Notes then outstanding and the Certificateholders.
- (vi) A resolution which in the opinion of the Note Trustee affects the interests of the holders of the Notes of only one Class or the Residual Certificates only, shall be deemed to have been duly passed if passed at a meeting (or by a separate resolution in writing) of the holders of that Class of Notes or of the Certificateholders.

(b) **Amendments and waiver**

- (i) The Note Trustee may, and shall direct the Security Trustee, without the consent or sanction of the Noteholders, the Certificateholders or the other Secured Creditors at any time and from time to time concur with the Issuer or any other person in making any modification:
 - (1) to these Residual Certificate Conditions, the Conditions or any Transaction Document (excluding in relation to a Basic Terms Modification) which in the opinion of the Note Trustee will not be materially prejudicial to the interests of the Most Senior Class of Notes; or
 - (2) to these Residual Certificate Conditions, the Conditions or any Transaction Document (including in relation to a Basic Terms Modification) if in the opinion of the Note Trustee such modification is of a formal, minor or technical nature, to correct a manifest error or to comply with law.
- (ii) Notwithstanding the provisions of Residual Certificate Condition 10(b)(i), the Note Trustee shall be obliged, and shall direct the Security Trustee, without any consent or sanction of the Noteholders, the Certificateholders or the other Secured Creditors, but subject to the receipt of written consent from each of the Secured Creditors party to the Transaction Document being modified, to concur with the Issuer in making any modification (other than in respect of a Basic Terms Modification) to these Residual Certificate Conditions, the Conditions and/or any Transaction Document that the Issuer considers necessary or advisable or as proposed by the Cap Provider or the Account Bank pursuant to Residual Certificate Condition 10(b)(ii)(1)(B):
 - (1) for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, provided that:
 - (A) the Issuer certifies in writing to the Note Trustee and the Security Trustee that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria; and
 - (B) in the case of any modification to a Transaction Document, the Conditions or these Residual Certificate Conditions proposed by the Cap Provider or the Account Bank in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds):
 - (aa) the Cap Provider or the Account Bank, as the case may be, certifies in writing to the Issuer and the Note Trustee and the Security Trustee that such modification is necessary for the purposes described in paragraph (B)(x) and/or (y) above
 - (bb) either:

- (i) the Cap Provider or the Account Bank, as the case may be, obtains from each of the Rating Agencies a Rating Agency Confirmation and, if relevant, delivers a copy of each such confirmation to the Issuer and the Note Trustee and the Security Trustee; or
 - (ii) the Cap Provider or the Account Bank, as the case may be, certifies in writing to the Note Trustee and the Security Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, qualification or withdrawal or suspension of the then current ratings assigned to the Notes by such Rating Agency or (y) such Rating Agency placing any such Notes on rating watch negative (or equivalent); and
 - (cc) the Cap Provider or the Account Bank, as the case may be, pays all costs and expenses (including legal fees) incurred by the Issuer, the Note Trustee and the Security Trustee in connection with such modification;
- (2) in order to enable the Issuer and/or the Cap Provider to comply with any obligation which applies to it under EMIR, provided that the Issuer or the Cap Provider, as appropriate, certifies to the Note Trustee and the Security Trustee and the Cap Provider or the Issuer, as applicable, in writing that such modification is required solely for the purpose of enabling it to satisfy such obligation and has been drafted solely to such effect;
 - (3) for the purpose of complying with any changes in the EU Retention Requirements after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the EU Retention Requirements or any other risk retention legislation or regulations or official guidance in relation thereto, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
 - (4) for the purpose of enabling the Notes to be (or to remain) listed on Euronext Dublin, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
 - (5) for the purposes of enabling the Issuer or any of the other Transaction Parties to comply with FATCA (or any voluntary agreement entered into with a taxing authority in relation thereto), provided that the Issuer or the relevant Transaction Party, as applicable, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

- (6) for the purpose of enabling the Issuer to open any custody account for the receipt of any collateral posted by the Cap Provider under the Cap Agreement in the form of securities;
- (7) for so long as the Class A Notes are intended to be held in a manner which will allow for Eurosystem eligibility, for the purpose of maintaining such eligibility;
- (8) for the purpose of complying with any changes in the requirements of the CRA Regulation (if and to the extent applicable) after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the CRA Regulation and the Commission Delegated Regulation 2015/3 (including, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators), as amended from time to time (the "**CRA3 Requirements**"), including any requirements imposed by any other obligation which applies under the CRA3 Requirements and/or any new regulations or official guidance in relation thereto, or which are required to comply with Article 7 of the Securitisation Regulation if an STS notification is subsequently made in relation to the Transaction, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

(any such modification pursuant to Conditions 12(b)(ii)(1) to (8) (inclusive) above being a "**Modification**" and the certificate to be provided by the Issuer, the Cap Provider or the relevant Transaction Party, as the case may be, pursuant to Residual Certificate Conditions 10(b)(ii)(1) to (8) (inclusive) above being a "**Modification Certificate**"),

- (9) for the purpose of changing the benchmark rate in respect of the Floating Rate Notes from LIBOR (the "**Applicable Benchmark Rate**") to an alternative benchmark rate (any such rate, an "**Alternative Benchmark Rate**") and making such other amendments to these Residual Certificate Conditions or any other Transaction Document as are necessary or advisable in the reasonable judgment of the Issuer (or the Servicer on its behalf) to facilitate the changes envisaged by this Residual Certificate Condition 10(b)(ii)(9) (for the avoidance of doubt, this may include changing the benchmark rate referred to in any interest rate hedging agreement, for the purpose of aligning any such hedging agreement with a proposed Benchmark Rate Modification pursuant to this Residual Certificate Condition 10(b)(ii)(9), or modifications to when the Interest Rate applicable to any Class of Notes is calculated and/or notified to Noteholders or other such consequential modifications) (a "**Benchmark Rate Modification**"), in each case in accordance with Condition 12(b)(ii)(9),

provided that, other than in the case of a Modification pursuant to Residual Certificate Conditions 10(b)(ii)(2), (3) and (5) above:

- (10) other than in the case of a Modification pursuant to Residual Certificate Condition 10(b)(ii)(1)(B) above, either:
 - (A) the Issuer (or the Servicer on its behalf) obtains from each of the Rating Agencies a Rating Agency Confirmation and, if relevant, it has provided a copy of any Rating Agency Confirmation to the Note Trustee and the Security Trustee

with the Modification Certificate or the Benchmark Rate Modification Certificate (as applicable); or

- (B) the Issuer certifies in the Modification Certificate or the Benchmark Rate Modification Certificate (as applicable) that it has given the Rating Agencies at least 10 Business Days' prior written notice of the proposed Modification and none of the Rating Agencies has indicated that such Modification would result in (x) a downgrade, qualification or, withdrawal or suspension of the then current ratings assigned to any Class of the Notes by such Rating Agency or (y) such Rating Agency placing any such Notes on rating watch negative (or equivalent); and
- (11) the Issuer has provided written notice of the proposed Modification or Benchmark Rate Modification to the Certificateholders, at least 40 calendar days' prior to the date on which it is proposed that the Modification or Benchmark Rate Modification would take effect, in accordance with Residual Certificate Condition 13 (*Notices*) and by publication on Bloomberg on the "Company Filings" screen relating to the Notes (such notice, the "**Modification Noteholder Notice**") confirming the following:
- (A) the period during which holders of the Most Senior Class of Notes on the date specified to be the Modification Record Date, which shall be five Business Days from the date of the Modification Noteholder Notice (the "**Modification Record Date**"), may object to the proposed Modification or Benchmark Rate Modification (which notice period shall commence at least 40 calendar days prior to the date on which it is proposed that the Modification or Benchmark Rate Modification would take effect and continue for a period not less than 30 calendar days) and the method by which they may object; and
 - (B) the sub-paragraph(s) of Residual Certificate Condition 10(b)(ii)(1) to (8) under which the Modification is being proposed or the sub-paragraph(s) of Condition 12(b)(ii)(9)(A) under which the Benchmark Rate Modification is being proposed; and
 - (C) in the case of a Benchmark Rate Modification, which Alternative Benchmark Rate is proposed to be adopted pursuant to Condition 12(b)(ii)(9)(C), and, where Condition 12(b)(ii)(9)(C)(cc) is being applied, the rationale for choosing the proposed Alternative Benchmark Rate; and
 - (D) in the case of a Benchmark Rate Modification, details of any consequential modifications that the Issuer has agreed will be made to any hedging agreement to which it is a party for the purpose of aligning any such hedging agreement with the proposed Benchmark Rate Modification, if the proposed Benchmark Rate Modification takes effect. The Issuer shall use reasonable endeavours to agree modifications to each hedging agreement where commercially appropriate so that the Transaction is hedged following the Benchmark Rate Modification to a similar extent as prior to the Benchmark

Rate Modification and that such modifications shall take effect no later than 30 calendar days from the date on which the Benchmark Rate Modification takes effect. If (i) no modifications are proposed to be made to hedging agreements; and/or (ii) modifications will be made to hedging agreements but will not result in the Transaction being similarly hedged; and/or (iii) modifications to any hedging agreement would take effect later than 30 calendar days from the date on which the Benchmark Rate Modification takes effect, the Issuer shall set out in the Modification Noteholder Notice the rationale for this; and

- (E) in the case of a Benchmark Rate Modification, details of the adjustment which the Issuer proposes to make (if any) to the margin payable on each Class of Notes which are the subject of the Benchmark Rate Modification in order to, so far as reasonably and commercially practicable, preserve what would have been the expected Interest Rate applicable to each such Class of Notes had no such Benchmark Rate Modification been effected (the "**Note Rate Maintenance Adjustment**"), provided that
- (aa) in the event that the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Reference Rates has published, endorsed, approved or recognised a note rate maintenance adjustment mechanism which could be used in the context of a transition from the Applicable Benchmark Rate to the Alternative Benchmark Rate, then the Issuer shall propose that note rate maintenance adjustment mechanism as the Note Rate Maintenance Adjustment, or otherwise the Issuer shall set out in the Modification Noteholder Notice the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Benchmark Rate Modification; or
- (bb) in the event that it has become generally accepted market practice in the publicly listed asset backed floating rate notes, Eurobond or swaps market to use a particular note rate maintenance adjustment mechanism in the context of a transition from the Applicable Benchmark Rate to the Alternative Benchmark Rate, then the Issuer shall propose that note rate maintenance adjustment mechanism as the Note Rate Maintenance Adjustment, or otherwise the Issuer shall set out in the Modification Noteholder Notice the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Benchmark Rate Modification; or

- (cc) in the event that neither (aa) nor (bb) above apply, the Issuer shall use reasonable endeavours to propose an alternative Note Rate Maintenance Adjustment as reasonably determined by the Issuer (or the Servicer on its behalf) and shall set out the rationale for the proposal or otherwise the Issuer shall set out in the Modification Noteholder Notice the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Benchmark Rate Modification; and
 - (dd) if any Note Rate Maintenance Adjustment is proposed, the Note Rate Maintenance Adjustment applicable to each Class of Notes other than the Most Senior Class of Notes shall be at least equal to that applicable to the Most Senior Class of Notes. In circumstances where the Issuer proposes a lower Note Rate Maintenance Adjustment on any Class of Notes other than the Most Senior Class than that which is proposed for the Most Senior Class of Notes or another Class of Notes which ranks senior to the Class of Notes to which the lower Note Rate Maintenance Adjustment is proposed to be made, the Benchmark Rate Modification will not be made unless an Extraordinary Resolution is passed in favour of such modification in accordance with this Residual Certificate Condition 10 (*Meetings of Certificateholders and Noteholders, amendments, waiver, substitution and exchange*) by the Noteholders of each Class of Notes outstanding on the Modification Record Date to which the lower Note Rate Maintenance Adjustment is proposed to be made; and
 - (ee) for the avoidance of doubt, the Note Rate Maintenance Adjustment may effect an increase or a decrease to the margin or may be set at zero; and
 - (F) details of (i) other amendments which the Issuer proposes to make (if any) to these Residual Certificate Conditions or any other Transaction Document and (ii) any new, supplemental or additional documents into which the Issuer proposes to enter to facilitate the changes envisaged pursuant to this Residual Certificate Condition 10(b)(ii);
- (12) Noteholders holding or representing at least 10% of the Outstanding Note Principal Amount of the Most Senior Class of Notes outstanding (or, if the Notes have been redeemed in full, Certificateholders holding at least 10% in number of the Residual Certificates in issue) on the Modification Record Date have not contacted the Issuer or the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes or Residual Certificates may be held) within such notification period notifying the Issuer or the Note Trustee that such Noteholders (or

Certificateholders, as the case may be) do not consent to the Modification or Benchmark Rate Modification.

If Noteholders representing at least 10% of the Outstanding Note Principal Amount of the Most Senior Class of Notes outstanding (or, if the Notes have been redeemed in full, Certificateholders holding at least 10% in number of the Residual Certificates then in issue) on the Modification Record Date have notified the Issuer or the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes or Residual Certificates may be held) within the notification period referred to above that they do not consent to the Modification, then such Modification will not be made unless an Extraordinary Resolution of the holders of the Most Senior Class of Notes outstanding on the Modification Record Date is passed in favour of such Modification in accordance with Schedule 4 (*Provisions for Meetings of the Noteholders and the Certificateholders*) to the Trust Deed, provided that (A) in circumstances where the Issuer proposes a lower Note Rate Maintenance Adjustment on any Class of Notes other than the Most Senior Class than that which is proposed for the Most Senior Class of Notes or another Class of Notes which ranks senior to the Class of Notes to which the lower Note Rate Maintenance Adjustment is proposed to be made, such Extraordinary Resolution shall be passed by the holders of the Most Senior Class of Notes then outstanding and by and by the holders of each Class of Notes then outstanding to which the lower Note Rate Maintenance Adjustment is proposed to be made, and (B) in other circumstances, such Extraordinary Resolution shall be passed by holders of the Most Senior Class of Notes then outstanding.

Objections made in writing other than through the applicable clearing system must be accompanied by evidence to the Note Trustee's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes (or Certificateholder's holding of the Residual Certificates, as the case may be) on the Modification Record Date.

- (iii) Other than where specifically provided in this Residual Certificate Condition 10(b)(ii) or any Transaction Document:
 - (1) when implementing any Modification or Benchmark Rate Modification pursuant to Residual Certificate Condition 10(b)(ii):
 - (A) (save to the extent the Note Trustee considers that the proposed Modification or Benchmark Rate Modification would constitute a Basic Terms Modification), the Note Trustee shall not consider the interests of the Certificateholders, any other Secured Creditor or any other person and shall act and rely solely and without investigation or liability on any Modification Certificate or Benchmark Rate Modification Certificate (or other certificate or evidence provided to it by the Issuer (or the Servicer on its behalf) or the relevant Transaction Party, as the case may be, pursuant to Residual Certificate Condition 10(b)(ii)) and shall not be liable to the Certificateholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such Modification or

Benchmark Rate Modification is or may be materially prejudicial to the interests of any such person; and

- (B) neither the Note Trustee nor the Security Trustee shall be obliged to agree to any Modification or Benchmark Rate Modification which, in its sole opinion of would have the effect of (i) exposing it to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing its obligations or duties, or decreasing its rights, powers, authorisations, discretions, indemnification or protections, in the Transaction Documents and/or these Residual Certificate Conditions.
 - (iv) Any Modification or Benchmark Rate Modification shall be binding on all Noteholders and Certificateholders and shall be notified by the Issuer as soon as reasonably practicable to:
 - (1) so long as any of the Notes rated by the Rating Agencies remains outstanding, each Rating Agency; and
 - (2) the Secured Creditors; and
 - (3) the Certificateholders in accordance with Residual Certificate Condition 13 (*Notices*).
 - (v) Following the making of a Benchmark Rate Modification, if it becomes generally accepted market practice in the publicly listed asset backed floating rate notes market to use a Benchmark Rate of interest which is different from the Alternative Benchmark Rate which had already been adopted by the Issuer in respect of the Notes pursuant to a Benchmark Rate Modification, the Issuer is entitled to propose a further Benchmark Rate Modification pursuant to Residual Certificate Condition 10(b)(ii)(9).
 - (vi) The Note Trustee may, and may direct the Security Trustee to, without the consent or sanction of the Noteholders, the Certificateholders or the other Secured Creditors and without prejudice to its rights in respect of any subsequent breach or Event of Default or Potential Event of Default, at any time and from time to time but only if and in so far as in its opinion the interests of the Most Senior Class of Notes shall not be materially prejudiced thereby, waive or authorise any breach or proposed breach by the Issuer or any other person of any of the covenants or provisions contained in the Conditions, these Residual Certificate Conditions or any other Transaction Document or determine that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of the Conditions or these Residual Certificate Conditions.
- (c) **Additional Modifications**
- (i) Notwithstanding Residual Certificate Condition 10(b) (*Amendments and waiver*) above, the Issuer may modify the terms of the Collection Account Declarations of Trust without the consent of the Note Trustee provided that such modification is made in accordance with the terms of the relevant Collection Account Declaration of Trust and does not adversely affect the rights or obligations of the Issuer thereunder (for the avoidance of doubt, and without limitation, a modification to a Collection Account Declaration of Trust will adversely affect the rights or obligations of the Issuer if it has the effect of reducing any amount held on trust for the Issuer or which the Issuer is entitled

to receive under that Collection Account Declaration of Trust). Residual Certificate Condition 10(b)(iv) above shall not apply to a modification made to a Collection Account Declaration of Trust in accordance with the terms of this Residual Certificate Condition 10(c)(i).

- (ii) In connection with any such substitution of principal debtor referred to in Condition 5(b) (*Redemption for taxation reasons*), the Note Trustee may also agree, without the consent of the Certificateholders or the other Secured Creditors, to a change in the laws governing these Residual Certificate Conditions and/or any of the Transaction Documents, provided that such change would not, in the opinion of the Note Trustee, be materially prejudicial to the interests of the Certificateholders.

(d) **Substitution and exchange**

- (i) Subject to the more detailed provisions of the Trust Deed and subject to such amendment of the Trust Deed, the Deed of Charge and any other Transaction Documents and such other conditions as the Note Trustee may require, including as to satisfaction that the interests of the Certificateholders will not be materially prejudiced by the substitution or exchange and as to the transfer of the Security, but without the consent of the Certificateholders or any of the Secured Creditors, the Note Trustee may agree to (i) the substitution of any other company or other entity in place of the Issuer as principal debtor under the Trust Deed, the Notes and the Residual Certificates and replacement for it under the Deed of Charge and any other Transaction Documents, provided that the Rating Agencies confirm that such substitution will not adversely affect the then current rating of each Class, or (ii) the exchange of the Notes and the Residual Certificates, in whole but not in part only, for other securities or instruments having substantially the same rights and benefits as the Notes and the Residual Certificates, provided that the then current rating of each Class by the Rating Agencies is attributed to any such new securities or instruments. Such substitution or exchange will be subject to the relevant provisions of the Trust Deed and the other Transaction Documents and to such amendments of the Trust Deed and the other Transaction Documents as the Note Trustee may deem appropriate. Under the Trust Deed, the Issuer is required to use its best efforts to cause the substitution as principal debtor under the Trust Deed, the Notes and the Residual Certificates and replacement for it under the Deed of Charge and any other Transaction Documents by a company or other entity incorporated in some other jurisdiction (approved by the Note Trustee) if the Issuer becomes subject to any form of tax on its income or payments on the Notes or the Residual Certificates. Any such substitution will be binding on the Certificateholders.
- (ii) The Note Trustee may, without the consent of the Certificateholders or any of the other Secured Creditors, agree to a change in the place of residence of the Issuer for taxation purposes provided (i) the Issuer does all such things as the Note Trustee may require in order that such change is fully effective and complies with such other requirements in the interests of the Certificateholders as it may request and (ii) the Issuer provides the Note Trustee with an opinion of counsel satisfactory to the Note Trustee to the effect that the change of residency of the Issuer will not cause any withholding or deduction to be made on payments on the Notes or the Residual Certificates.

(e) **Entitlement of the Note Trustee**

Where, in connection with the exercise of its powers, trusts, authorities or discretions (including, without limitation those with respect to any proposed amendment, waiver, authorisation or substitution) in relation to these Residual Certificate Conditions or any other Transaction Document, the Note Trustee is required to take into account the interests of the Certificateholders it will have regard to the general interests of the Certificateholders and, without prejudice to the generality of the foregoing, will not take into account the consequences of such exercise for individual Certificateholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Note Trustee will not be entitled to require, nor will any Certificateholders be entitled to claim, from the Issuer or any other person any indemnification or payment for any tax consequence of any exercise for individual Certificateholders.

11. ***Indemnification of the Note Trustee and the Security Trustee***

The Trust Deed, the Deed of Charge and certain other of the Transaction Documents contain provisions for the indemnification of the Note Trustee and the Security Trustee and for their relief from responsibility including for the exercise of any rights under the Trust Deed and the other Transaction Documents (including, but without limitation, with respect to the Security), for the sufficiency and enforceability of the Trust Deed and the other Transaction Documents (which the Note Trustee has not investigated) and the validity, sufficiency and enforceability of the Deed of Charge and for taking proceedings to enforce payment unless, in each case, indemnified and/or secured and/or prefunded to its satisfaction. The Note Trustee and the Security Trustee and any of their affiliates are entitled to enter into business transactions with the Issuer, any subsidiary or other affiliate of the Issuer or any other party to the Transaction Documents or any obligor with respect to any of the Security or any of their subsidiary, holding or associated companies and to act as Trustee or Security Trustee for the holders of any securities issued by any of them without, in any such case, accounting to the Certificateholders for any profit resulting therefrom.

The Note Trustee and the Security Trustee are exempted from liability with respect to any loss or theft or reduction in value of the Security and from any obligation to insure or to cause the insuring of the Security.

The Trust Deed and the Deed of Charge provide that the Note Trustee or the Security Trustee will be obliged to take action on behalf of the Certificateholders and the Secured Creditors in certain circumstances, provided always that the Note Trustee and/or the Security Trustee (as the case may be) is indemnified and/or secured and/or prefunded to its satisfaction. Further, the Note Trustee will not be obliged to act on behalf of the Certificateholders or any other Secured Creditors where it would not have the power to do so by virtue of any applicable law or where such action would be illegal in any applicable jurisdiction.

12. ***Replacement of Residual Certificates***

If a Residual Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws and regulations, at the specified office of the Registrar on payment by the claimant of the taxes, fees and costs properly incurred in connection with such replacement and on such terms as to evidence, security and indemnity as the Issuer, the Note Trustee, the Registrar or the Paying Agent may require and otherwise as the Issuer may require. Mutilated or defaced Residual Certificates must be surrendered before replacements will be issued.

13. **Notices**

While the Residual Certificates are represented by the Global Residual Certificate, notices to Certificateholders will be valid if submitted to Euroclear and/or Clearstream, Luxembourg for communication by them to Certificateholders. Any notice delivered to Euroclear and/or Clearstream, Luxembourg, as aforesaid, shall be deemed to have been given on the day of such delivery.

While the Residual Certificates are represented by Definitive Residual Certificates, the Note Trustee shall be at liberty to sanction any method of giving notice to the Certificateholders if, in its opinion, such method is reasonable having regard to market practice then prevailing and provided that notice of such other method is given to the Certificateholders in such manner as the Note Trustee shall deem appropriate.

14. **Governing law and jurisdiction**

- (a) The Residual Certificates and all non-contractual obligations arising out of or in connection with the Residual Certificates are governed by, and will be construed in accordance with, English law.
- (b) The courts of England will have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Residual Certificates (including a dispute relating to the existence, validity or termination of the Residual Certificates or any non-contractual obligation arising out of or in connection with the Residual Certificates) and any legal action or proceedings arising out of or in connection with such disputes may be brought in such courts. The Issuer irrevocably submits to the exclusive jurisdiction of such courts and waives any objections to proceedings in such courts on the ground of venue or on the ground that they have been brought in an inconvenient forum. This submission is for the benefit of the Security Trustee and will not limit the right of the Security Trustee to take legal action or proceedings in any other court of competent jurisdiction nor will the taking of such proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction (whether concurrently or not).

15. **Rights of third parties**

No person will have any right to enforce any term or condition of the Residual Certificates by virtue of the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS

1. RECEIVABLES SALE AND PURCHASE AGREEMENT

On or before the Closing Date, the Seller, the Issuer, the Servicer and the Security Trustee will enter into the Receivables Sale and Purchase Agreement.

Pursuant to the Receivables Sale and Purchase Agreement, the Seller will sell to the Issuer and the Issuer will purchase from the Seller all right, title and interest of the Seller in the Portfolio. Such sale is made by way of absolute assignment and, accordingly, the Seller with full title guarantee will assign to the Issuer all of its rights, title, interest and benefit in and to each Receivable included in the Portfolio, including to the fullest extent possible under applicable law, all Ancillary Rights related to such Receivable but excluding the Excluded Amounts.

Assignment by the Seller to the Issuer of the benefit of the Receivables included in the Portfolio will take effect in equity only because no notice of the assignment will be given to Obligors. The assignment will be perfected following the occurrence of a Perfection Event.

Representations and warranties given by the Seller

Pursuant to the Receivables Sale and Purchase Agreement, the Seller will make certain representations and warranties set out in the section of this Prospectus headed "*DESCRIPTION OF THE PORTFOLIO – Seller Receivables Warranties*" (the "**Seller Receivables Warranties**") regarding the Purchased Receivables and the related HP Agreements (including, among other things, that all Purchased Receivables (including, where relevant their Ancillary Rights) comply with the Eligibility Criteria on the Cut-Off Date) to the Issuer and the Security Trustee on the Closing Date (and, for so long as the Seller is the Servicer, on each date on which a Permitted Variation is agreed by the Servicer) with reference to the facts and circumstances subsisting (unless stated to the contrary in the Receivables Sale and Purchase Agreement) as at the Cut-Off Date or, in respect of a Permitted Variation, as at the date of that Permitted Variation (provided that a narrower set of such representations and warranties will be given where any such Permitted Variation is required by law or regulation).

To the extent that a Seller Receivables Warranty given by the Seller in respect of a Purchased Receivable proves to have been incorrect on the date on which such Seller Receivables Warranty was made (other than by reason of a related HP Agreement being determined illegal, invalid, non-binding or unenforceable under the CCA or the FSMA) and, if applicable, the relevant breach cannot be remedied, or if the relevant Purchased Receivable never existed or has ceased to exist such that it is not outstanding as at the Repurchase Date (each such affected Receivable being a "**Non-Compliant Receivable**"):

- (a) the Seller will be required to repurchase such Purchased Receivable for an amount equal to the sum of (i) its Receivable Deemed Initial Purchase Price, less (ii) the sum of all Principal Receipts and Revenue Receipts recovered or received by the Issuer in respect of such Non-Compliant Receivable from the Cut-Off Date to the Repurchase Date, plus (iii) any accrued and unpaid income in respect thereof as at the Repurchase Date (the "**Non-Compliant Receivable Repurchase Price**"), or
- (b) in the case of a Purchased Receivable which never existed, or has ceased to exist, such that it is not outstanding as at the Repurchase Date, the Seller will not be required to repurchase such Purchased Receivable and will instead be required to pay to the Issuer an amount equal to the sum of: (i) the Receivable Deemed Initial Purchase Price of that Purchased Receivable, minus (ii) the sum of all Principal Receipts and Revenue Receipts recovered or received in respect of such Purchased Receivable from the Cut-Off Date to the date on which the Receivables Indemnity Amount is paid, plus (iii) a deemed amount of accrued income on the relevant

Purchased Receivable calculated on the basis of the APR stated in the loan level data for such Purchased Receivable and determined as at the date on which the Receivables Indemnity Payment is made (the "**Receivables Indemnity Amount**").

Where Purchased Receivables are determined to be in breach of the Seller Receivables Warranties by reason of a related HP Agreement (or part thereof) being determined illegal, invalid, non-binding or unenforceable under the CCA or the FSMA, the Seller may in lieu of repurchasing the relevant Purchased Receivables pay a compensation payment to the Issuer, being an amount, calculated by the Servicer in accordance with the Servicing Agreement, required to compensate the Issuer for any loss caused as a result of such breach (the "**CCA Compensation Amount**") and the payment of such amount cures such illegality, invalidity or unenforceability or the Purchased Receivables being non-binding.

The Seller shall pay the relevant Non-Compliant Receivable Repurchase Price, Receivables Indemnity Amount or CCA Compensation Amount (as the case may be) by no later than the end of the Calculation Period immediately following the Calculation Period in which the relevant breach of Seller Receivables Warranty was discovered.

In the event of any such repurchase, the relevant Purchased Receivable (unless it is extinguished) will be re-assigned by the Issuer to the Seller on the immediately following Interest Payment Date on a non-recourse or guarantee basis on the part of the Issuer. The costs of such assignment will be borne solely by the Seller.

The Sale Notice to be delivered by the Seller for the purchase of Receivables under the Receivables Sale and Purchase Agreement contains certain relevant information for the purpose of identification of the Purchased Receivables. In the Sale Notices, the Seller represents that the representations and warranties with respect to the Purchased Receivables referred to above are true and correct as of the Closing Date by reference to the facts and circumstances subsisting as at the Cut-Off Date. See "*DESCRIPTION OF THE PORTFOLIO — Seller Receivables Warranties*".

The Seller, upon receipt of the Purchase Price, is obliged from time to time to promptly execute and deliver and/or file all documents, and take all further action that the Issuer or the Security Trustee may reasonably request, in order to perfect, protect or maintain the validity of or evidence the Issuer's and the Security Trustee's rights and interests in and to the Purchased Receivables. The Seller is also obliged to indemnify the Issuer, the Note Trustee and the Security Trustee against any loss or expense suffered or incurred by the Issuer, the Note Trustee or the Security Trustee as a direct result of any failure by the Seller to complete any sale and purchase constituted under the Receivables Sale and Purchase Agreement, except where such loss or expense arose as a direct consequence of any gross negligence, wilful default or fraud of the Issuer, the Note Trustee or the Security Trustee or any of their agents.

A sale and assignment of the Receivables pursuant to the Receivables Sale and Purchase Agreement constitutes a sale without recourse. This means that the Seller will not bear the risk of the inability of any Obligor to pay the relevant Purchased Receivables. However, in the event of any breach of the Eligibility Criteria and/or Seller Receivables Warranties, the Seller owes the payment of the Non-Compliant Receivable Repurchase Price or the Receivables Indemnity Amount (as applicable) regardless of the respective Obligor's credit strength.

Title to Vehicles

Title to the Vehicles financed by HP Agreements included in the Portfolio will remain with BMFL until it is transferred to the relevant Obligor under the terms of the relevant HP Agreement or is sold by BMFL following repossession of the Vehicle from the relevant Obligor. Under the Vehicle Declaration of Trust to be entered into by BMFL and the Issuer on or about

the Closing Date, BMFL will hold title to such Vehicles and any Vehicle Sale Proceeds arising from sale of any such Vehicles on trust for the Issuer.

Repossession and disposal of Vehicles, Vehicle Sale Proceeds

Pursuant to the Receivables Sale and Purchase Agreement the Seller undertakes:

- (a) if any Receivable becomes a Defaulted Receivable or a Voluntarily Terminated Receivable to exercise its right of repossession (in the case of Defaulted Receivables) and dispose of the related Vehicle, in each case in accordance with the Credit and Collection Procedures and within a reasonable time thereafter;
- (b) not to impair in any material respect the rights of the Issuer in the Vehicle Sale Proceeds; and
- (c) not to knowingly take any steps to hinder or unduly delay or prevent the repossession and disposition of any related Vehicle or by the Issuer acting under the Seller Power of Attorney.

The Vehicle Sale Proceeds will be paid into the BMF DD Collection Account or the Seller Collection Account (as applicable) net of associated costs, charges, fees, expenses and, if applicable, the Incentive Fee in respect of the related Vehicle.

Following the appointment of the Seller's Insolvency Official, the Issuer will pay to the Seller (or, as the case may be, the Seller may retain) from, and to the extent of, the relevant Vehicle Sale Proceeds the Incentive Fee in respect of each related Vehicle resold by the Seller.

Defaulted Receivables Call Option

If a Purchased Receivable becomes a Defaulted Receivable, and following disposal of the Vehicle related to such Receivable and receipt by the Issuer of the related Vehicle Sale Proceeds as described above, the Seller will have the option under the Receivables Sale and Purchase Agreement, prior to an Insolvency Event occurring in respect of the Seller, to repurchase such Defaulted Receivable. The purchase price payable by the Seller to the Issuer in consideration for the repurchase of such Defaulted Receivable shall be equal to the amount recoverable from a third party debt collection agency in respect of such Defaulted Receivable (such amount to be evidenced in the notice of repurchase), but in any event up to a maximum amount equal to the Outstanding Principal Balance of the relevant Receivable on the date of the repurchase (the "**Defaulted Receivables Payment**").

Non-Permitted Variation Receivables Call Option

If the Servicer has agreed or, prior to the end of the immediately following Calculation Period, will agree to a Non-Permitted Variation in respect of a Purchased Receivable (a "**Non-Permitted Variation Receivable**"), the Seller will have the option under the Receivables Sale and Purchase Agreement, prior to an Insolvency Event occurring in respect of the Seller, to repurchase such Non-Permitted Variation Receivable. The Seller agrees under the Servicing Agreement that where the Servicer agrees to a Non-Permitted Variation it shall exercise the Non-Permitted Variation Receivables Call Option in respect of the relevant Non-Permitted Variation Receivable by no later than the Non-Permitted Variation Receivable Repurchase End Date. The purchase price payable by the Seller to the Issuer in consideration for the repurchase of such Non-Permitted Variation Receivable shall be equal to the sum of (i) its Receivable Deemed Initial Purchase Price, less (ii) the sum of all Principal Receipts and Revenue Receipts recovered or received by the Issuer in respect of such Non-Permitted Variation Receivable from the Cut-Off Date to the Repurchase Date, plus (iii) any accrued and unpaid income in respect thereof as at the date of the repurchase (the "**Non-Permitted Variation Receivable Repurchase Price**").

Taxes and Increased Costs

All payments to be made by the Seller to the Issuer pursuant to the Receivables Sale and Purchase Agreement will be made free and clear of and without withhold or deduction for or on account of, any tax, unless such withholding or deduction is required by law (or pursuant to FATCA). If the Seller is required to withhold or deduct for or on account of tax, it will increase the amount of the payment due to the Issuer to an amount which (after making the withholding or deduction) leaves an amount equal to the payment which would have been due if no withholding or deduction had been required. The Seller will have the opportunity and authorisation to raise defences against the relevant payment at the Seller's own costs.

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

Notification of Assignment

The Obligors will only be notified by the Servicer in respect of the assignment of the Purchased Receivables upon request by the Issuer following the occurrence of a Perfection Event.

Should the Servicer fail to notify the Obligors within 3 Business Days of a Perfection Event, the Issuer (or an agent appointed on its behalf and subject to Data Protection Laws) shall promptly give notice in its own name (and/or on behalf of the Seller pursuant to the Seller Power of Attorney) of the sale, assignment and assignation of all or any of the Purchased Receivables by delivering a Perfection Event Notice within 5 Business Days of a Perfection Event. Furthermore, at any time after the occurrence of a Perfection Event, each of the Issuer and the Security Trustee may:

- (a) direct (and/or require the Servicer to direct) all or any of the Obligors to pay amounts outstanding in respect of Purchased Receivables directly to the Issuer, the Transaction Account or any other account which is specified by the Issuer or the Security Trustee; and/or
- (b) take such other action and enter into such documents as it reasonably considers to be necessary, appropriate or desirable in order to recover any amount outstanding in respect of Purchased Receivables or to perfect, improve, protect, preserve or enforce their rights against the Obligors in respect of Purchased Receivables (including, without limitation, entering into supplemental transfer documents).

Clean-Up Call

On any Interest Payment Date on which the Aggregate Outstanding Principal Balance as per preceding Determination Date is equal to or less than 10% of the Aggregate Outstanding Principal Balance as at the Cut-Off Date, the Seller will have the option under the Receivables Sale and Purchase Agreement to repurchase all outstanding Purchased Receivables then owned by the Issuer against payment of the Final Repurchase Price subject to the following requirements:

- (a) the Final Repurchase Price should be an amount as described in Condition 5(d)(i)(1) (*Clean-Up Call*); and

- (b) the Seller shall have notified the Issuer of its intention to exercise the Clean-Up Call at least 10 calendar days prior to the contemplated settlement date of the Clean-Up Call.

Tax Redemption Receivables Call Option

If the Issuer fixes a date for redemption of the Notes pursuant to Condition 5(b) (*Redemption for taxation reasons*) (which must be an Interest Payment Date), the Seller will, on such date, have the option under the Receivables Sale and Purchase Agreement to repurchase all outstanding Purchased Receivables then owned by the Issuer against payment of the Tax Redemption Repurchase Price.

Governing Law

The Receivables Sale and Purchase Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law but any term particular to the law of Scotland will be construed in accordance with the laws of Scotland. The Vehicle Declaration of Trust will be governed by the laws of Scotland.

2. **SERVICING AGREEMENT**

On or before the Closing Date, pursuant to the Servicing Agreement between the Servicer, the Security Trustee and the Issuer, the Servicer will be appointed by the Issuer to administer the Purchased Receivables, collect and, if necessary, enforce the Purchased Receivables in accordance with the Servicing Agreement (the "**Services**").

Obligations of the Servicer

Under the terms of the Servicing Agreement, the Servicer has, among other things, undertaken to perform its duties in accordance with all applicable laws and regulations and pursuant to specific instructions that, on certain conditions, it may be given by the Issuer or, as applicable, the Note Trustee, from time to time.

The Servicer has undertaken that it will devote to the performance of its obligations and the exercise of its discretions under the Servicing Agreement and its exercise of the rights of the Issuer in respect of contracts and arrangements giving rise to payment obligations in respect of the Purchased Receivables at least the same amount of time and attention and exercise the higher of: (i) the level of skill, care and diligence it would exercise if it were administering receivables in respect of which it held the entire benefit (both legally and beneficially); and (ii) the level of skill, care and diligence of a reasonably prudent servicer of automotive consumer loans in the United Kingdom, and, in any event, will devote all due skill, care and diligence to the performance of its obligations and the exercise of its discretions and will devote all operational resources reasonably necessary (including, without limitation, office space, facilities, equipment and staff) to fulfil its obligations under the Servicing Agreement and the other Transaction Documents to which it is a party (together, the "**Servicer Standard of Care**").

General Administration Obligations in relation to the Portfolio

The Servicer shall use all reasonable endeavours to:

- (a) collect all Collections (including any Vehicle Sale Proceeds) and ensure payment of all sums due under or in connection with the relevant HP Agreements and related Purchased Receivables;
- (b) recover amounts due from the Obligors and, as the case may be, relevant guarantors, in respect of Defaulted Receivables;
- (c) enforce all obligations of the Obligors under the related HP Agreements and of the related guarantors if any; and

- (d) enforce all Ancillary Rights arising in respect of the Receivables (including, but not limited to, any claims against any third parties (including Dealers) in relation to any claims or set-off exercised by an Obligor),

in each case on behalf of and at the expense of the Issuer in accordance with the provisions of the relevant HP Agreements and the Credit and Collection Procedures.

The Servicer shall also:

- (a) assist the Issuer's auditors and provide, subject to the Data Protection Laws, information to them upon request;
- (b) promptly notify all Obligors following the occurrence of a Perfection Event, or, if the Servicer fails to deliver such Perfection Event Notice within 3 Business Days after the Perfection Event, the Issuer shall have the right to instruct the Standby Servicer or a replacement Servicer or an agent of the Issuer to deliver on its behalf the Perfection Event Notice; and
- (c) use reasonable endeavours, at the expense of the Issuer, to seek Recovery Collections due from Obligors in accordance with the Credit and Collection Procedures.

The Servicer will administer the Portfolio in accordance with its respective standard procedures, set out in its Credit and Collection Procedures for the administration and enforcement of its own hire purchase agreements, subject to the provisions of the Servicing Agreement and the Receivables Sale and Purchase Agreement.

The Servicer will maintain all appropriate registrations, licences and authorities required to enable it to perform its obligations under the Transaction Documents.

Cash Collection Arrangements

The Servicer shall procure that:

- (a) all amounts received by the Servicer or into the BMF DD Collection Account or the Seller Collection Account in respect of Purchased Receivables deriving from the related HP Agreement or Ancillary Rights from the Obligor or a third party including any amounts representing the Vehicle Sale Proceeds are paid by the Obligor directly into the BMF DD Collection Account or the Seller Collection Account (as applicable);
- (b) all sums so collected are transferred into the Transaction Account in accordance with the Servicing Agreement and the relevant Collection Account Declaration of Trust and, in particular, shall procure, as agent for the Issuer, that in relation to each relevant Purchased Receivable, all Collections in respect of each Calculation Period (other than any Excess Amounts or Excluded Amounts) are remitted to the Transaction Account within 2 Business Days of the Servicer applying such Collections to an Obligor's account (or, in respect of Collections received on or after the Cut-Off Date but prior to the Closing Date, within 5 Business Days following the Closing Date), or as otherwise directed by the Issuer or the Security Trustee.

Records

The Servicer shall:

- (a) keep and maintain an Obligor Ledger with respect to each HP Agreement for the purposes of identifying amounts paid by each Obligor, any amount due from an Obligor and the balance from time to time outstanding on each Obligor Ledger and provide such information to the Issuer, the Note Trustee and the Security Trustee on

request, subject to the provisions of the Data Protection Laws or other applicable legislation current from time to time;

- (b) maintain records in respect of amounts recognised as having been lost or irrecoverable in relation to Defaulted Receivables and Voluntarily Terminated Receivables, as well as amounts subsequently recovered;
- (c) ensure that the Purchased Receivable Records in respect of the Purchased Receivables and the relevant HP Agreements are held to the order of the Issuer and the Security Trustee;
- (d) maintain adequate back-ups of such Purchased Receivable Records in accordance with its usual procedures;
- (e) keep the Purchased Receivable Records in such manner so that they are identifiable and distinguishable from the records and other documents which relate to other hire purchase agreements, and other agreements which are held by or on behalf of the Servicer or any other person and so that the relevant contracts and Purchased Receivables Records are uniquely, unequivocally and physically identifiable from data contained in the Receivables Listing or the Sale Notice (as applicable);
- (f) keep records for all taxation purposes; and
- (g) co-operate with the Security Trustee or any other party to Transaction Documents to the extent required under or in connection with any of the Transaction Documents.

Information and Regular Reporting

The Servicing Agreement requires the Servicer to furnish on each Reporting Date the Monthly Reports to the Issuer and the Cash Manager, with a copy to the Corporate Services Provider, the Rating Agencies and the Security Trustee provided that in any event the relevant Data Protection Laws shall be observed.

Loan Level Data

In addition, under the Servicing Agreement, subject to the provisions of the Data Protection Laws, the Servicer shall, for as long as the Class A Notes or (if possible in accordance with the Bank of England eligibility criteria in force from time to time) any other Class of Notes otherwise satisfy the Bank of England eligibility criteria, make loan level data available in such a manner as required to comply with the Bank of England eligibility criteria and transparency criteria for asset backed securities (as set out in the Detailed Information Transparency for Asset-Backed Securities for Auto-loan ABS of 17 December 2012 as amended and applicable from time to time).

Credit and Collection Procedures

Pursuant to the Servicing Agreement, the Servicer shall be authorised to modify the terms of a Purchased Receivable in accordance with the terms of the relevant HP Agreement and its Credit and Collection Procedures, provided that where any such modification constitutes a Non-Permitted Variation, the Seller is required to exercise the Non-Permitted Variation Receivables Call Option in respect of, and repurchase, the relevant Purchased Receivable by no later than the Non-Permitted Variation Receivable Repurchase End Date in accordance with and subject to the Receivables Sale and Purchase Agreement.

A "**Non-Permitted Variation**" is any modification which has the effect of any of the following:

- (a) reducing the Outstanding Principal Balance of the Purchased Receivable;

- (b) sanctioning any kind of payment holiday;
- (c) reducing the rate of interest payable by the Obligor or the total interest payable by the Obligor over the term of the Purchased Receivables
- (d) extending the term of the Purchased Receivable;
- (e) reducing the total number of Monthly Payments; or
- (f) providing for a final payment greater than the amount of any Monthly Payment preceding it, disregarding any option to purchase fees or credit acceptance fees,

but a Non-Permitted Variation shall not, for the avoidance of doubt, include any action taken with respect to the Servicer's arrears management process in accordance with its Credit and Collection Procedures or pursuant to applicable law or regulation and/or the request of any competent regulatory authority.

Termination of HP Agreement, Enforcement and administration of Insurance Claims

If an Obligor defaults on a Purchased Receivable, the Servicer will, in relation to such Defaulted Receivable and the enforcement of the relevant HP Agreement, comply in all material respects with the applicable Credit and Collection Procedures.

In relation to (i) any termination of an HP Agreement following default by the Obligor; (ii) any sale of a Vehicle following such termination; (iii) any early payment of all amounts outstanding under an HP Agreement by the relevant Obligor prior to the original maturity of the relevant HP Agreement; or (iv) any voluntary surrender by an Obligor of the Vehicle to which such HP Agreement relates prior to the scheduled maturity of the relevant HP Agreement, the Servicer will at all times materially comply with the relevant provisions of the applicable Credit and Collection Procedures.

The Servicer is authorised (until revocation of such authority by the Issuer and/or the Security Trustee) to bring or assert against the relevant insurance companies all Insurance Claims assigned to the Issuer pursuant to the Receivables Sale and Purchase Agreement, and is obliged to do so except to the extent inconsistent with its Credit and Collection Procedures. The Servicer shall not have any liability for the obligations of an Obligor under or pursuant to any Obligor Insurance.

Use of Third Parties

The Servicer may sub-contract or delegate any or all of its powers and obligations under the Servicing Agreement, provided that, *inter alia* such third party has and shall maintain all requisite licences, approvals, authorisations and consents, including without limitation any necessary notifications under the Data Protection Laws and permissions under the FSMA or any other regulatory licence or approval required to enable it to fulfil its obligations under or in connection with any such sub-contracting or delegation arrangement.

Servicing Expenses and Reimbursement of Enforcement Expenses

As consideration for the performance of the Services pursuant to the Servicing Agreement, the Servicer is entitled to a servicing fee of 1.00% per annum of the Aggregate Outstanding Principal Balance, calculated in accordance with the Servicing Agreement (the "**Servicing Fee**"). The Servicing Fee will be inclusive of any amounts in respect of VAT. The Servicing Fee will be paid by the Issuer in accordance with the applicable Priority of Payments in monthly instalments on each Interest Payment Date with respect to the immediately preceding Calculation Period in arrear.

In addition, the Issuer will on each Interest Payment Date reimburse, in accordance with the applicable Priority of Payments, the Servicer for all reasonable out-of-pocket costs, expenses and charges (including any Irrecoverable VAT but excluding any amounts paid by the Servicer

to any delegate or sub-contractor, other than out-of-pocket costs, expenses and charges incurred by any such delegate or sub-contractor which the Servicer would have been entitled to reimbursement of had it incurred such out-of-pocket costs, expenses and charges directly itself) properly incurred by the Servicer in the performance of the Services and which would not be recoverable (or which the Servicer has not been able to recover) under the terms of the applicable Receivables from the Obligor in respect of which such costs, expenses and charges are incurred.

Remittance of Collections

Under the terms of the Servicing Agreement, the Collections received by the Servicer (for the avoidance of doubt excluding any Excess Amounts or Excluded Amounts) in respect of a Calculation Period standing to the credit of the Collection Account will be remitted to the Transaction Account within 2 Business Days of the Servicer applying such Collections to an Obligor's account (or, in respect of Collections received on or after the Cut-Off Date but prior to the Closing Date, within 5 Business Days following the Closing Date), or as otherwise directed by the Issuer or the Security Trustee. Until such transfer, the Servicer will hold the Collections and any other amount received on trust for the Issuer.

Termination of appointment of the Servicer

Upon the occurrence of any Servicer Termination Event, the Issuer and the Security Trustee will have the right to remove BMFL as Servicer. If the appointment of BMFL is terminated, the Issuer will (i) deliver a notice to invoke the Standby Servicer, which, upon completion of the procedures contemplated by the Standby Servicer Agreement, is expected to assume responsibility for the administration of the Purchased Receivables on the terms of the Replacement Servicing Agreement, or (ii) if there is no Standby Servicer or the Standby Servicer is for any reason unable to assume responsibility for the administration of the Purchased Receivables, subject to there being sufficient funds available for the Issuer to obtain expert assistance, use all reasonable endeavours to appoint a replacement Servicer to perform the obligations which BMFL agrees to provide under the Servicing Agreement.

Other than the Standby Servicer, an entity may only be appointed as replacement servicer if certain conditions are fulfilled, including:

- (a) it has experience of administering receivables reasonably similar to the Purchased Receivables being administered by the Servicer in the United Kingdom or is able to demonstrate that it has the capability to administer receivables reasonably similar to the Purchased Receivables being administered by the Servicer in the United Kingdom;
- (b) it is willing to enter into an agreement with the parties to the Servicing Agreement (other than BMFL in its capacity as Servicer) which provides for the replacement servicer to be remunerated at such a rate as is agreed by the Issuer but which does not exceed the rate then commonly charged by providers of services of the kind described in the Servicing Agreement and required by the Servicing Agreement to be provided by the Servicer and is otherwise on substantially the same terms as those of the Servicing Agreement; and
- (c) the Rating Agencies are notified of such identification and intended appointment and have indicated that such appointment would not result in the reduction, qualification or withdrawal of the then current ratings of the Notes.

According to the Servicing Agreement, the appointment of the Servicer is, *inter alia*, automatically terminated in the event that an Insolvency Event occurs in respect of the Servicer and such event shall constitute a Perfection Event.

The outgoing Servicer and the Issuer will execute such documents and take such actions as the Issuer may require for the purpose of transferring to the Standby Servicer or the

replacement Servicer (as applicable) the rights and obligations of the outgoing Servicer, assumption by the Standby Servicer of responsibility for performance of the services contemplated by the Replacement Servicing Agreement or by any replacement Servicer of the specific obligations of a replacement Servicer under the Servicing Agreement and releasing the outgoing Servicer from its future obligations under the Servicing Agreement. Upon termination of the Servicing Agreement with respect to the Servicer and the invocation of the Standby Servicer or the appointment of a replacement Servicer (as applicable), the Servicer will transfer to the Standby Servicer or the replacement Servicer (as applicable) all Purchased Receivable Records and any and all related material, documentation and information.

Any termination of the appointment of the Servicer or of the Standby Servicer or a replacement Servicer will be notified by the Issuer to the Servicer, the Rating Agencies, the Security Trustee, the Paying Agent, the Interest Determination Agent, the Account Bank, the Cash Manager and the Cap Provider.

Governing Law

The Servicing Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law but any term particular to the law of Scotland will be construed in accordance with the laws of Scotland.

3. STANDBY SERVICER AGREEMENT

On or before the Closing Date, pursuant to the Standby Servicer Agreement between, among others, the Issuer, the Servicer, the Standby Servicer and the Security Trustee, the Standby Servicer will be appointed by the Issuer to provide certain standby services in respect of the Purchased Receivables.

Within 30 days of entering into the Standby Servicer Agreement, the Standby Servicer shall, among other things, complete the testing of amendments to the direct debit instructions and confirm that, if required by the Issuer or Note Trustee, it will be capable of instructing each Obligor to make payments directly to the Transaction Account. The Standby Servicer will also review and complete any procedures required in order to produce the Servicing Report and be able to replicate the Servicing Report, if requested by the Issuer or the Note Trustee, within 15 calendar days of such request.

Invocation

If, following a Servicer Termination Event, the Issuer or the Security Trustee terminates the Servicer's appointment under the Servicing Agreement by notice in writing or if, in the case of an Insolvency Event occurring in respect of the Servicer, the Servicer's appointment is terminated automatically (the "**Replacement Trigger**"), the Issuer or the Security Trustee may deliver written notice to the Standby Servicer (a "**Standby Servicer Notice**") requesting that the Standby Servicer assume responsibility for servicing the Purchased Receivables, on and subject to the terms of a replacement Servicing Agreement, the form of which is set out in Schedule 2 (*Replacement Servicing Agreement*) to the Standby Servicer Agreement.

The Standby Servicer agrees to carry out the invocation plan which forms part of the Standby Servicer Agreement and, upon completion of the relevant activities referred to therein, assume responsibility for servicing the Purchased Receivables, in each case within 30 days of the date of the Standby Servicer Notice (the "**Standby Servicer Succession Date**").

Following the occurrence of a Replacement Trigger until the Standby Servicer Succession Date, the Servicer agrees to provide at its own cost all such assistance, and access to all such hardware, software, processes, staff and facilities of the Servicer as the Standby Servicer may reasonably require to facilitate the assumption of responsibility for servicing the Purchased Receivables by the Standby Servicer. The Standby Servicer will conduct an annual review of such systems and processes and update records as necessary.

So long as the Servicer remains appointed under the Servicing Agreement, the Servicer undertakes:

- (a) to ensure that at any time between annual reviews it is able upon reasonable notice, to provide its data to the Standby Servicer in an agreed format as the same may have been modified at the immediately preceding annual review; and
- (b) to provide, upon execution of the Standby Servicer Agreement and monthly thereafter, reports to the Standby Servicer (in such form as may be agreed between the Servicer and the Standby Servicer) containing such data relating to the Obligors of the Purchased Receivables and their Ancillary Rights as is required to enable the Standby Servicer to notify the Obligors of the assignment of the Purchased Receivables following the occurrence of a Perfection Event.

Limitation of liability of the Standby Servicer

Subject to the general exclusions of liability of the Standby Servicer as set out in the Standby Servicer Agreement, the Standby Servicer's entire liability in contract, negligence, tort, statute, restitution or otherwise arising out of or in connection with the Standby Servicer Agreement is limited to in aggregate to 100% of the total monies paid or payable by the Issuer to the Standby Servicer per Year, unless such liability is occasioned by the wilful misconduct, gross negligence or fraud of the Standby Servicer.

Termination by the Standby Servicer

The Standby Servicer is entitled to terminate the Standby Servicer Agreement upon written notice provided that a suitably experienced replacement has been appointed and the Standby Servicer has provided such replacement standby servicer all information and resources reasonably required to perform the obligations of the standby servicer. The Standby Servicer may terminate the Standby Servicer Agreement without regard to the foregoing provisos upon at least six months' prior written notice if any sum due to the Standby Servicer remains unpaid 30 calendar days after the notice of the same is given to the Servicer, the Issuer and Security Trustee.

Termination by the Issuer or Security Trustee

The Servicer (with the prior written consent of the Issuer and the Security Trustee) and/or the Issuer and/or the Security Trustee may terminate the Standby Servicer Agreement upon 30 days' prior written notice (or 90 days' prior written notice following the occurrence of a Servicer Termination Event or the receipt by the Standby Servicer of the Standby Servicer Notice), provided that such minimum notice periods shall not apply if the Standby Servicer becomes insolvent. The Standby Servicer Agreement may also be terminated forthwith if a material breach or default is made by the Standby Servicer in the performance of its obligations thereunder or under the Replacement Servicing Agreement, subject to a 30 day grace period where such breach is capable of remedy.

Governing law

The Standby Servicer Agreement and any non-contractual obligations arising out of or in connection with the Standby Servicer Agreement are governed by and construed in accordance with English law.

4. CASH MANAGEMENT AGREEMENT

On or before the Closing Date, the Issuer, the Cash Manager, the Servicer, the Note Trustee and the Security Trustee will enter into the Cash Management Agreement pursuant to which Citibank N.A., London Branch will be appointed to act as the Cash Manager in respect of amounts standing from time to time to the credit of the Issuer Accounts and arrange for payments to be made on behalf of the Issuer from such accounts in accordance with the Priority of Payments.

Cash Management Services

The Cash Manager is required to manage the operation of the Issuer Accounts, and in each case give instructions to the Account Bank to enable it to perform its obligations. The Cash Manager shall additionally perform certain calculations required under the Transaction Documents necessary for the determination and payment of the various cash flows and shall be responsible for applying such payments in accordance with the Priority of Payments and the Transaction Documents.

Pursuant to the Cash Management Agreement, the Cash Manager will provide, *inter alia*, the following cash management services to the Issuer:

- (a) determining such amounts as are expressed to be calculations and determinations made by the Cash Manager in accordance with the Conditions of the Notes, the Residual Certificate Conditions and the Transaction Documents; and
- (b) determining the amounts of Available Revenue Receipts and Available Principal Receipts to be applied on each Interest Payment Date and applying or causing to be applied Available Revenue Receipts and Available Principal Receipts in accordance with the applicable Priority of Payments set out in the Cash Management Agreement or, as applicable, the Deed of Charge.

The Cash Manager will maintain the following ledgers:

- (a) on the Reserve Fund, the "**Reserve Fund Ledger (Class A)**", the "**Reserve Fund Ledger (Class B)**", the "**Reserve Fund Ledger (Class C)**", the "**Reserve Fund Ledger (Class D)**" and the "**Reserve Fund Ledger (Class E)**", which record all payments to and withdrawals from the Reserve Fund in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, respectively;
- (b) the "**Principal Deficiency Ledger**" (and the "**Principal Deficiency Sub-ledger (Class A)**", "**Principal Deficiency Sub-ledger (Class B)**", "**Principal Deficiency Sub-ledger (Class C)**", "**Principal Deficiency Sub-ledger (Class D)**", and "**Principal Deficiency Sub-ledger (Class E)**" as sub-ledgers) which records Gross Losses arising from Defaulted Receivables and Voluntarily Terminated Receivables in the Portfolio; and
- (c) on the Transaction Account, the "**Issuer Profit Ledger**" which shall record (A) as a credit all amounts retained as Issuer Profit Amount in accordance with item (a) of the Pre-Acceleration Revenue Priority of Payments or item (i) of the Post-Acceleration Priority of Payments, as the case may be; and (B) as a debit any payments in respect of Tax to any relevant taxing or fiscal authority or agency and any dividend payments to the Issuer's shareholder (up to the credit balance standing to the Issuer Profit Ledger).

Under the terms of the Cash Management Agreement, prior to the service of a Note Acceleration Notice, the Cash Manager (as directed by the Seller) on any Business Day will be permitted to make withdrawals (each a "**Permitted Revenue Withdrawal**") from the Transaction Account in respect of the Excess Recoveries Amounts, Excess Amounts or Excluded Amounts provided that any such withdrawals shall: (1) in any Calculation Period only be made up to a maximum aggregate amount equal to the Revenue Receipts received in such Calculation Period; (2) be deemed to be made prior to application of the applicable Priority of Payments, and for the avoidance of doubt, such amount shall not be included as Available Revenue Receipts.

On or before each Interest Payment Date, the Cash Manager will:

- (a) record amounts as appropriate on the Principal Deficiency Ledger by:
 - (i) crediting the Principal Deficiency Sub-ledger (Class A) by an amount equal to the amounts transferred under item (f) of the Pre-Acceleration Revenue Priority of Payments on such Interest Payment Date;
 - (ii) crediting the Principal Deficiency Sub-ledger (Class B) by an amount equal to the amounts transferred under item (i) of the Pre-Acceleration Revenue Priority of Payments on such Interest Payment Date;
 - (iii) crediting the Principal Deficiency Sub-ledger (Class C) by an amount equal to the amounts transferred under item (l) of the Pre-Acceleration Revenue Priority of Payments on such Interest Payment Date;
 - (iv) crediting the Principal Deficiency Sub-ledger (Class D) by an amount equal to the amounts transferred under item (o) of the Pre-Acceleration Revenue Priority of Payments on such Interest Payment Date;
 - (v) crediting the Principal Deficiency Sub-ledger (Class E) by an amount equal to the amounts transferred under item (r) of the Pre-Acceleration Revenue Priority of Payments on such Interest Payment Date;
 - (vi) debiting the Principal Deficiency Ledger by an amount equal to the aggregate of the Gross Losses arising from Defaulted Receivables and Voluntarily Terminated Receivables, in the following order:
 - (A) first, to the Principal Deficiency Sub-ledger (Class E) until the debit balance thereon is equal to the then Outstanding Note Principal Amount of the Class E Notes;
 - (B) second, to the Principal Deficiency Sub-ledger (Class D) until the debit balance thereon is equal to the then Outstanding Note Principal Amount of the Class D Notes;
 - (C) third, to the Principal Deficiency Sub-ledger (Class C) until the debit balance thereon is equal to the then Outstanding Note Principal Amount of the Class C Notes;
 - (D) fourth, to the Principal Deficiency Sub-ledger (Class B) until the debit balance thereon is equal to the then Outstanding Note Principal Amount of the Class B Notes; and
 - (E) fifth, to the Principal Deficiency Sub-ledger (Class A) until the debit balance thereon is equal to the then Outstanding Note Principal Amount of the Class A Notes; and
- (b) record amounts as appropriate on the Reserve Fund Ledger (Class A), Reserve Fund Ledger (Class B), Reserve Fund Ledger (Class C), Reserve Fund Ledger (Class D), and Reserve Fund Ledger (Class E) as follows, with all credits being made first to the Reserve Fund Ledger (Class A), then to the Reserve Fund Ledger (Class B), then to the Reserve Fund Ledger (Class C), then to the Reserve Fund Ledger (Class D), and then to the Reserve Fund Ledger (Class E) and all debits being made first to the Reserve Fund Ledger (Class E), then to the Reserve Fund Ledger (Class D), then to the Reserve Fund Ledger (Class C), then to the Reserve Fund Ledger (Class B) and then to the Reserve Fund Ledger (Class A):
 - (i) crediting the Reserve Fund Ledger (Class A) by an amount equal to the aggregate of:

- (A) the amount available from the part of the proceeds of the Class X Notes on the Closing Date available for the Reserve Fund Ledger (Class A); and
 - (B) payments made in accordance with item (e) of the Pre-Acceleration Revenue Priority of Payments;
- (ii) crediting the Reserve Fund Ledger (Class B) by an amount equal to the aggregate of:
- (A) the amount available from the part of the proceeds of the Class X Notes on the Closing Date available for the Reserve Fund Ledger (Class B); and
 - (B) payments made in accordance with item (h) of the Pre-Acceleration Revenue Priority of Payments;
- (iii) crediting the Reserve Fund Ledger (Class C) by an amount equal to the aggregate of:
- (A) the amount available from the part of the proceeds of the Class X Notes on the Closing Date for the Reserve Fund Ledger (Class C); and
 - (B) payments made in accordance with item (k) of the Pre-Acceleration Revenue Priority of Payments;
- (iv) crediting the Reserve Fund Ledger (Class D) by an amount equal to the aggregate of:
- (A) the amount available from the part of the proceeds of the Class X Notes on the Closing Date for the Reserve Fund Ledger (Class D); and
 - (B) payments made in accordance with item (n) of the Pre-Acceleration Revenue Priority of Payments;
- (v) crediting the Reserve Fund Ledger (Class E) by an amount equal to the aggregate of:
- (A) the amount available from the part of the proceeds of the Class X Notes on the Closing Date for the Reserve Fund Ledger (Class E); and
 - (B) payments made in accordance with item (q) of the Pre-Acceleration Revenue Priority of Payments;
- (vi) debiting the Reserve Fund Ledger (Class A) by an amount equal to the aggregate of amounts drawn from the Reserve Fund (1) on each Interest Payment Date from the Closing Date for application under items (a) to (d) (inclusive) of the Pre-Acceleration Revenue Priority of Payments, (2) on the Final Class A Interest Payment Date, the date on which the Aggregate Outstanding Principal Balance is zero and the Legal Maturity Date, being all amounts on the Reserve Fund Ledger (Class A), for application as Available Revenue Receipts and (3) on each Interest Payment Date from the Closing Date on which there is a Reserve Fund Excess Amount, such excess for application as Available Revenue Receipts, in each case until the Reserve Fund Ledger (Class A) is zero;

- (vii) debiting the Reserve Fund Ledger (Class B) by an amount equal to the aggregate of amounts drawn from the Reserve Fund (1) on each Interest Payment Date from the Closing Date for application under items (a) to (c) (inclusive) and (g) of the Pre-Acceleration Revenue Priority of Payments, (2) on the Final Class B Interest Payment Date, on the date on which the Aggregate Outstanding Principal Balance is zero and the Legal Maturity Date, being all amounts on the Reserve Fund Ledger (Class B), for application as Available Revenue Receipts and (3) on each Interest Payment Date from the Closing Date on which there is a Reserve Fund Excess Amount, such excess for application as Available Revenue Receipts, in each case until the Reserve Fund Ledger (Class B) is zero;
- (viii) debiting the Reserve Fund Ledger (Class C) by an amount equal to the aggregate of amounts drawn from the Reserve Fund (1) on each Interest Payment Date from the Closing Date for application under items (a) to (c) (inclusive) and (j) of the Pre-Acceleration Revenue Priority of Payments, (2) on the Final Class C Interest Payment Date, on the date on which the Aggregate Outstanding Principal Balance is zero and the Legal Maturity Date, being all amounts on the Reserve Fund Ledger (Class C), for application as Available Revenue Receipts and (3) on each Interest Payment Date from the Closing Date on which there is a Reserve Fund Excess Amount, such excess for application as Available Revenue Receipts, in each case until the Reserve Fund Ledger (Class C) is zero;
- (ix) debiting the Reserve Fund Ledger (Class D) by an amount equal to the aggregate of amounts drawn from the Reserve Fund (1) on each Interest Payment Date from the Closing Date for application under items (a) to (c) (inclusive) and (m) of the Pre-Acceleration Revenue Priority of Payments and (2) on the Final Class D Interest Payment Date, on the date on which the Aggregate Outstanding Principal Balance is zero and the Legal Maturity Date, being all amounts on the Reserve Fund Ledger (Class D), for application as Available Revenue Receipts and (3) on each Interest Payment Date from the Closing Date on which there is a Reserve Fund Excess Amount, such excess for application as Available Revenue Receipts, in each case until the Reserve Fund Ledger (Class D) is zero; and
- (x) debiting the Reserve Fund Ledger (Class E) by an amount equal to the aggregate of amounts drawn from the Reserve Fund (1) on each Interest Payment Date from the Closing Date for application under items (a) to (c) (inclusive) and (p) of the Pre-Acceleration Revenue Priority of Payments and (2) on the Final Class E Interest Payment Date, on the date on which the Aggregate Outstanding Principal Balance is zero and the Legal Maturity Date, being all amounts on the Reserve Fund Ledger (Class E), for application as Available Revenue Receipts and (3) on each Interest Payment Date from the Closing Date on which there is a Reserve Fund Excess Amount, such excess for application as Available Revenue Receipts, in each case until the Reserve Fund Ledger (Class E) is zero.

Monthly Investor Report

The Cash Manager will publish the Monthly Investor Report on or prior to each Interest Payment Date. The Monthly Investor Report will include, among other things (i) statistics on prepayments, Defaulted Receivables and Voluntarily Terminated Receivables and (ii) details with respect to the rates of interest, Note principal and interest payments, Residual Certificate Payments and other payments made by the Issuer.

Determinations and Reconciliation

The Cash Manager will agree to make the following determinations if the Servicer fails to provide a Monthly Report and to calculate the following reconciliations once such Monthly Report is available:

- (a) If the Cash Manager does not receive a Monthly Report with respect to a Calculation Period (each such period, a "**Determination Period**"), then the Cash Manager shall use the Monthly Report in respect of the three most recent Calculation Periods in respect of which all relevant Monthly Reports are available (or, where there are not at least three such previous Calculation Periods, any such previous Calculation Periods) for the purposes of calculating the amounts available to the Issuer to make payments, as set out in paragraph (b) below. When the Cash Manager receives the Monthly Report relating to the Determination Period, it will make the reconciliation calculations and reconciliation payments as set out in paragraph (c) below. Any (i) calculations properly made on the basis of such estimates in accordance with paragraphs (b) and/or (c) below; (ii) payments made under any of the Notes, the Residual Certificates and Transaction Documents in accordance with such calculations; and (iii) reconciliation calculations and reconciliation payments made as a result of such reconciliation calculations, each in accordance with paragraphs (b) and/or (c) below, shall be deemed to be made in accordance with the provisions of the Transaction Documents and will in themselves not lead to an Event of Default and no liability will attach to the Cash Manager in connection with the exercise by it of its powers, duties and discretion for such purposes (other than as a result of the Cash Manager's gross negligence, fraud or wilful default).
- (b) In respect of any Determination Period the Cash Manager shall on the Calculation Date immediately following the Determination Period:
 - (i) determine the Interest Determination Ratio by reference to the three most recent Calculation Periods in respect of which all relevant Monthly Reports are available (or, where there are not at least three such previous Calculation Periods, any such previous Calculation Periods) received in the preceding Calculation Periods;
 - (ii) calculate the Revenue Receipts for such Determination Period as (A) the Interest Determination Ratio multiplied by (B) all collections received by the Issuer during such Determination Period (the "**Calculated Revenue Receipts**"); and
 - (iii) calculate the Principal Receipts for such Determination Period as (A) 1 minus the Interest Determination Ratio multiplied by (B) all collections received by the Issuer during such Determination Period (the "**Calculated Principal Receipts**").
- (c) Following the end of any Determination Period, upon receipt by the Cash Manager of the relevant Monthly Report in respect of such Determination Period, the Cash Manager shall reconcile the calculations made in accordance with paragraph (b) above to the actual collections set out in the Monthly Reports by allocating the Reconciliation Amount as follows:
 - (i) if the Reconciliation Amount is a positive number, the Cash Manager shall apply an amount equal to the lesser of (A) the absolute value of the Reconciliation Amount and (B) (1) actual Revenue Receipts, as determined in accordance with the available Monthly Reports, less (2) the amount required in respect of the Calculation Period to pay items (a) to (f) of the Pre-Acceleration Principal Priority of Payments, as Available Principal Receipts; and

- (ii) if the Reconciliation Amount is a negative number, the Cash Manager shall apply an amount equal to the lesser of (A) the absolute value of the Reconciliation Amount and (B) actual Principal Receipts as determined in accordance with the available Monthly Reports, as Available Revenue Receipts,

provided that the Cash Manager shall apply such Reconciliation Amount in determining Available Revenue Receipts and Available Principal Receipts for such Calculation Period in accordance with the terms of the Cash Management Agreement and the Cash Manager shall promptly notify the Issuer and the Security Trustee of such Reconciliation Amount.

Termination of appointment of Cash Manager

The Issuer may terminate the appointment of the Cash Manager under the Cash Management Agreement upon the occurrence of a Cash Manager Termination Event.

A "**Cash Manager Termination Event**" means the occurrence of any one of the following events:

- (a) a default is made by the Cash Manager in the payment, on the due date, of any payment due and payable by it under the Cash Management Agreement and such default (where capable of remedy) continues unremedied for a period of three Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer or the Security Trustee, as the case may be, requiring the same to be remedied;
- (b) a default is made by the Cash Manager in the performance or observance of any of its other covenants and obligations under the Cash Management Agreement, which in the opinion of the Security Trustee is materially prejudicial to the interests of the Secured Creditors and such default continues unremedied for a period of 30 Business Days after the earlier of the Cash Manager becoming aware of such default (where capable of remedy) and receipt by the Cash Manager of written notice from the Issuer or the Security Trustee, as applicable, requiring the same to be remedied (where capable of remedy);
- (c) it is or will become unlawful for the Cash Manager to perform or comply with any of its obligations under the Cash Management Agreement; or
- (d) an Insolvency Event occurs in respect of the Cash Manager.

The Cash Manager may also resign its appointment on no less than 90 calendar days' written notice to the Issuer, the Seller, the Servicer and the Security Trustee with a copy being sent to the Rating Agencies.

No termination or resignation of the Cash Manager will be effective until (i) the Issuer has appointed a new cash manager (the "**Replacement Cash Manager**") and (ii) a Rating Agency Confirmation is received by the Issuer confirming that such termination or resignation will not cause the then current ratings of the Notes to be downgraded, withdrawn or qualified. In accordance with the terms of the Cash Management Agreement, any Replacement Cash Manager, must:

- (a) in the reasonable opinion of the Issuer have experience of cash management in relation to auto finance agreements in England, Wales and Scotland; and
- (b) enter into an agreement (the "**Replacement Cash Management Agreement**") on terms substantially similar to those of the Cash Management Agreement, provided that (i) where the Issuer determines that it is not practicable, taking into account the

then prevailing market conditions, to agree terms substantially similar to those set out in the Cash Management Agreement, the Issuer shall have certified in writing to the Note Trustee and the Security Trustee (upon which certificate the Note Trustee and the Security Trustee shall be entitled to rely absolutely and without further enquiry or liability) that, to the extent the terms are not substantially similar to those set out in the Cash Management Agreement as aforementioned, such terms are fair and commercial terms taking into account the then prevailing current market conditions, which certificate shall be conclusive and binding on all parties and (ii) neither the Note Trustee nor the Security Trustee shall be obliged to enter into any such arrangements which, in the sole opinion of the Note Trustee or the Security Trustee (as applicable) would have the effect of (A) exposing the Note Trustee or the Security Trustee (as applicable) to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (B) increasing the obligations or duties, or decreasing the rights, powers, authorities, indemnification or protections, of the Note Trustee or the Security Trustee in the Transaction Documents.

The Security Trustee shall give its consent to the termination of the appointment of the Cash Manager and shall give its consent to the appointment of a Replacement Cash Manager, where the Replacement Cash Manager satisfies the criteria set out in paragraphs (i) and (ii) above.

Where no suitable entity is found that satisfies the criteria set out above, the Security Trustee and the Issuer shall consent to the appointment of an entity as Replacement Cash Manager, where the Security Trustee has been directed to do so by the Instructing Party.

None of the Note Trustee, the Security Trustee or the resigning Cash Manager shall be responsible or have any liability if a Replacement Cash Manager cannot be found or appointed in accordance with the terms of the Cash Management Agreement.

The Cash Manager has undertaken to indemnify each of the Issuer, the Note Trustee and the Security Trustee on demand on an after Tax basis for any properly incurred expense and any loss or liability suffered or incurred by any of them as a direct result of the fraud, gross negligence or wilful default of the Cash Manager in carrying out its functions as Cash Manager other than where such loss or liability suffered or incurred by any of them is a direct result of the gross negligence, fraud or wilful default of the Issuer, the Note Trustee or the Security Trustee (as applicable).

In accordance with the terms of the Cash Management Agreement, the Issuer will pay to the Cash Manager for its services a cash management fee as set out in a fee letter entered into on or prior to the Signing Date between the Issuer and the Cash Manager (the "**Cash Management Fee**").

Governing Law

The Cash Management Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

5. AGENCY AGREEMENT

On or prior to the Closing Date, pursuant to the Agency Agreement, the Issuer will appoint the Paying Agent to act as paying agent with respect to the Notes and the Residual Certificates and to forward payments to be made by the Issuer to the Noteholders and Certificateholders and will appoint the Interest Determination Agent to act as interest determination agent to determine the relevant LIBOR rate on each Interest Determination Date and provide such figure, among other matters, to the Cash Manager and the Servicer. Pursuant to the terms of the Agency Agreement, the Registrar will agree to, among other things, maintain a register in respect of the Notes and the Residual Certificates.

The functions, rights and duties of the Paying Agent and the Interest Determination Agent are set out in the Conditions. See "*CONDITIONS OF THE NOTES*" and "*CONDITIONS OF THE RESIDUAL CERTIFICATES*".

The Agency Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

6. **CORPORATE SERVICES AGREEMENT**

Pursuant to a Corporate Services Agreement dated on or about the Closing Date, the Corporate Services Provider provides the Issuer with certain corporate and administrative functions. Such services include, *inter alia*, providing the directors of the Issuer, keeping the corporate records, convening director's meetings, providing registered office facilities and suitable office accommodation, preparing and filing all statutory and annual returns, preparing the financial statements and performing certain other corporate administrative services against payment of a fee.

The Corporate Services Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

7. **BANK ACCOUNT AGREEMENT**

On or prior to the Closing Date, pursuant to the Bank Account Agreement, the Account Bank will be appointed by the Issuer and will act as agent of the Issuer to hold the Issuer Accounts for the Issuer. During the life of the Transaction, the Account Bank shall maintain the Required Rating.

The functions, rights and duties of the Account Bank are set out in the Bank Account Agreement.

Transaction Account

The Transaction Account of the Issuer will be maintained with the Account Bank.

The Servicer will be required to remit all Collections in respect of a Calculation Period standing to the credit of the Collection Account to the Transaction Account within 2 Business Days of the Servicer applying such Collections to an Obligor's account (or, in respect of Collections received on or after the Cut-Off Date but prior to the Closing Date, within 5 Business Days following the Closing Date), or as otherwise directed by the Issuer or the Security Trustee. The Issuer will use the Collections (other than any Excluded Amounts) standing to the credit of the Transaction Account together with the other amounts forming the Available Principal Receipts and Available Revenue Receipts and will apply those amounts according to the applicable Priority of Payments.

On each Interest Payment Date amounts representing Collections for the relevant Calculation Period (other than Excluded Amounts) together with other items comprising the Available Principal Receipts and Available Revenue Receipts shall be applied by the Cash Manager in accordance with the applicable Priority of Payments.

On each Interest Payment Date, in accordance with the Priority of Payments, the Cash Manager will pay to the Issuer Profit Ledger any Issuer Profit Amount paid in accordance with the applicable Priority of Payments. Amounts may be debited from the Issuer Profit Ledger from time to time for any payments in respect of Tax to any relevant taxing or fiscal authority or agency and any dividend payments to the Issuer's shareholder.

Reserve Fund

The Reserve Fund of the Issuer will be maintained with the Account Bank.

The amount standing to the credit of the Reserve Fund as of the Closing Date will be GBP 5,096,700 in relation to the Reserve Fund Ledger (Class A), GBP 693,000 in relation to the Reserve Fund Ledger (Class B), GBP 237,000 in relation to the Reserve Fund Ledger (Class C), GBP 110,000 in relation to the Reserve Fund Ledger (Class D) and GBP 183,000 in relation to the Reserve Fund Ledger (Class E).

The Issuer will use the amounts standing to the credit of the Reserve Fund together with the other amounts forming the Available Revenue Receipts and will apply those amounts according to the applicable Priority of Payments.

On each Interest Payment Date, prior to the delivery of a Note Acceleration Notice, the Issuer will credit to each of the Reserve Fund Ledger (Class A), the Reserve Fund Ledger (Class B), the Reserve Fund Ledger (Class C), the Reserve Fund Ledger (Class D) and the Reserve Fund Ledger (Class E) an amount such that the amount standing to the credit of that ledger is equal to the Reserve Fund Required Amount (Class A), the Reserve Fund Required Amount (Class B), the Reserve Fund Required Amount (Class C), the Reserve Fund Required Amount (Class D) and the Reserve Fund Required Amount (Class E), respectively, subject to the Available Revenue Receipts and in accordance with the Pre-Acceleration Revenue Priority of Payments.

The amounts standing to the credit of the Reserve Fund Ledger (Class A), the Reserve Fund Ledger (Class B), the Reserve Fund Ledger (Class C), the Reserve Fund Ledger (Class D) and the Reserve Fund Ledger (Class E) from time to time will serve as liquidity support for the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, respectively, and in each case certain senior expenses ranking in priority thereto throughout the life of the transaction.

Through the Principal Deficiency Ledger, each Class of Collateralised Notes will also benefit from credit enhancement in the form of amounts to be released from the Reserve Fund (i) as applicable from the Reserve Fund Excess Amount made available in the Available Revenue Receipts, (ii) on the relevant Final Class Interest Payment Date in respect of each Class (up to the balance of the sub-ledger of the Reserve Fund relating to that Class), the Legal Maturity Date and the date on which the Aggregate Outstanding Principal Balance is zero and (iii) following service of a Note Acceleration Notice.

Any Reserve Fund Excess Amount shall be released on each Interest Payment Date and applied as Available Revenue Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments. On the Interest Payment Date on which the Clean-Up Call is exercised the entire Reserve Fund balance shall be applied as Available Revenue Receipts in addition to all other Available Revenue Receipts on such Interest Payment Date.

Following an Enforcement Event the balance standing to the credit of the Reserve Fund may be applied in accordance with the Post-Acceleration Priority of Payments.

Cap Collateral Account

The Cap Collateral Account of the Issuer will be maintained with the Account Bank.

If the Cap Provider ceases to be an Eligible Cap Provider, the Cap Provider shall take action in accordance with the Cap Agreement, including posting eligible collateral into the interest-bearing Cap Collateral Account in accordance with the provisions of the Cap Agreement.

The deposit in the Cap Collateral Account shall not constitute Collections and shall secure solely the payment obligations of the Cap Provider to the Issuer under the Cap Agreement and not any obligations of the Issuer.

The amounts in the Cap Collateral Account will be applied in or towards satisfaction of the Cap Provider's obligations to the Issuer upon termination of the Cap Agreement. Any Excess

Cap Collateral shall not be available to Secured Creditors and shall be returned to such Cap Provider outside the Priority of Payments.

On each Interest Payment Date, any amount standing to the credit of the Cap Collateral Account which exceeds any required collateral amounts will be paid back by the Issuer to the Cap Provider outside the Priority of Payments.

Account Bank rating requirements

If the Account Bank ceases to have all of the following ratings:

- (a) a long term rating of "A" together with a short term rating of "A-1" from S&P; and
- (b) a short-term rating of at least "P-1" and a long-term rating of at least "A2" from Moody's or, if such entity is only subject to a short-term rating from Moody's or a long-term rating from Moody's, a short-term rating of at least "P-1" or long-term rating of at least "A2" from Moody's,

or such other rating or ratings as may be agreed by the relevant Rating Agency from time to time as would maintain the then current ratings of the Notes (the "**Required Ratings**") then, within 30 calendar days of the breach, one of the following will occur:

- the Transaction Account may be closed by, or on behalf of, the Issuer and all amounts standing to the credit thereof shall be transferred by, or on behalf of, the Issuer within 30 calendar days to accounts held with a financial institution (i) having all the Required Ratings and (ii) which is a bank as defined in Section 991 of the Income Tax Act 2007; or
- the Account Bank may obtain a guarantee in support of its obligations under the Bank Account Agreement from a financial institution which has all the Required Ratings; or
- a Rating Agency Confirmation will be obtained or the Account Bank will take such other actions as may be reasonably requested by the parties to the Bank Account Agreement (other than the Security Trustee) to ensure that the rating of the Most Senior Class of Notes immediately prior to the breach is not adversely affected by the breach.

If the Account Bank fails to comply with the above, the Account Bank's appointment will be terminated by the Issuer (with prior written notice to the Security Trustee) (such termination being effective on a replacement account bank being appointed by the Issuer). If the Issuer should fail to appoint such successor account bank within 30 calendar days after receipt of the termination notice given by the Issuer, then the existing Account Bank may select a leading bank of international repute having the Required Ratings to act as Account Bank and the Issuer shall appoint that bank as the successor Account Bank. The Account Bank shall continue to provide services under the Bank Account Agreement in any case until a successor Account Bank with the Required Rating is validly appointed by the Issuer.

Governing Law

The Bank Account Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

8. CAP AGREEMENT

The Issuer has entered into the Cap Agreement. The purpose of the Cap Agreement is to mitigate the interest rate risk of the Issuer arising in connection with the issuance of the Floating Rate Notes. The Cap Agreement consists of a 1992 ISDA Master Agreement, the schedule thereto, an interest rate cap confirmation and a credit support annex thereunder.

Pursuant to the Cap Agreement entered into by the Issuer and the Cap Provider (which shall be an Eligible Cap Provider) in relation to the Floating Rate Notes, the Issuer will pay to the Cap Provider (or there will be paid to the Cap Provider on the Issuer's behalf) the Cap Premium on or about the Closing Date. In return, the Cap Provider will, where on any such date LIBOR exceeds the Cap Rate, pay to the Issuer on each Interest Payment Date, and on the earlier of the Legal Maturity Date and the date on which the Floating Rate Notes are redeemed in full (other than in circumstances which would give rise to a termination event (see below)), an amount equal to the product of (i) the Cap Notional Amount and (ii) a rate equal to the percentage by which LIBOR exceeds the Cap Rate under the Cap Agreement and (iii) the Day Count Fraction.

The Cap Notional Amount for each Interest Payment Date will be the amount set out opposite the Interest Period to which such Interest Payment Date relates in the amortisation schedule appended to the interest rate cap transaction confirmation, as follows:

Month	Cap Notional Amount (£)
0	312,075,000.00
1	312,075,000.00
2	304,137,263.27
3	296,198,110.52
4	288,260,319.59
5	280,324,885.99
6	272,389,735.68
7	264,460,762.00
8	256,384,521.96
9	248,315,856.85
10	240,252,884.53
11	232,203,168.79
12	224,165,920.83
13	216,141,054.45
14	208,132,813.49
15	200,140,619.04
16	192,165,513.03
17	184,216,630.98
18	176,291,523.50
19	168,407,231.04
20	160,557,520.15
21	152,748,585.00
22	144,980,971.94
23	137,276,853.61
24	129,635,646.52
25	122,048,813.33
26	114,370,261.87

27	106,746,739.64
28	99,183,704.35
29	91,695,323.30
30	84,279,009.64
31	76,961,854.31
32	69,663,561.74
33	62,462,020.14
34	55,359,025.04
35	48,391,134.32
36	41,556,022.81
37	34,856,532.86
38	28,499,655.59
39	22,218,016.93
40	16,044,270.32
41	9,977,275.51
42	4,032,941.41
43	0.00

The Cap Notional Amount is unlikely to match, and could (depending on the rate of repayment) deviate significantly from, the Aggregate Outstanding Note Principal Amount of the Floating Rate Notes.

The Cap Agreement will be constructed to fulfil the criteria of the Rating Agencies to support the target ratings for the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes. The Cap Agreement is governed by English law.

Payments by the Cap Provider to the Issuer under the Cap Agreement (except for payments by the Cap Provider into the Cap Collateral Account) will be made into the Transaction Account. Payments by the Cap Provider to the Issuer will be made free and clear of, and without any withholding or deduction for or on account of, tax, unless such withholding or deduction is required by law (or pursuant to FATCA). If the Cap Provider is required to withhold or deduct for or on account of tax, it will increase the amount of the payment due to the Issuer to an amount which (after making the withholding or deduction) leaves an amount equal to the payment which would have been due if no withholding or deduction had been required.

Events of default under the Cap Agreement applicable to the Issuer are limited to, and (among other things) events of default applicable to the Cap Provider include, the following:

- (a) failure to make a payment under the Cap Agreement when due, if such failure is not remedied within 3 Business Days of notice of such failure being given;
- (b) the occurrence of certain bankruptcy and insolvency events.

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

- (a) illegality of the transactions contemplated by the Cap Agreement or a force majeure or act of state means a party who makes or receives payments under the Cap Agreement is prevented from making or receiving such payments under the Cap

Agreement or performing a material obligation under the Cap Agreement or it becomes impossible or impracticable to so pay, receive or comply;

- (b) either party is required to pay additional amounts under the Cap Agreement due to certain taxes, or has the amount payable to it under the Cap Agreement reduced due to certain taxes, and a transfer to another office or affiliate of the Cap Provider that would eliminate the effect of such taxes has not taken place after the time set forth in the Cap Agreement;
- (c) an Enforcement Event under the Conditions occurs or any Clean-Up Call or exercise of optional redemption for tax reasons pursuant to Condition 5(b) (*Redemption for taxation reasons*) occurs;
- (d) the Issuer misrepresents its status as an NFC- under EMIR;
- (e) the benchmark rate on the Floating Rate Notes is changed and the Alternative Benchmark Rate is different to the benchmark rate under the Cap Agreement;
- (f) an amendment is made to the Transaction Documents which affects the timing or priority of payments under the Cap Agreement without the consent of the Cap Provider; or
- (g) failure of the Cap Provider to maintain its credit rating at certain levels required by the Cap Agreement, which failure may not constitute a termination event if (in the time set forth in the Cap Agreement) the Cap Provider:
 - (i) posts an amount of collateral as calculated in accordance with the credit support annex to the Cap Agreement; or
 - (ii) obtains a guarantee from an institution with an acceptable rating; or
 - (iii) transfers its rights and obligations under the Cap Agreement to a successor Cap Provider which is an Eligible Cap Provider; or
 - (iv) takes such other action in order to maintain the ratings of the Floating Rate Notes, or to restore the rating of the Floating Rate Notes to the level they would have been at immediately prior to such downgrade.

Upon the occurrence of any event of default or termination event specified in the Cap Agreement, the non-defaulting party (in case of an event of default) or the person(s) specified in the Cap Agreement as having such right (in case of a termination event) may, after a period of time set forth in the Cap Agreement, elect to terminate the Cap Agreement. If the Cap Agreement is terminated due to an event of default or a termination event, a Cap Termination Payment may be due to the Issuer by the Cap Provider.

The Cap Termination Payment will be calculated and made in Sterling. Depending on which event of default or termination event occurs, the amount of any termination payment will be based on either (i) the value of the terminated cap based on firm market quotations of the cost of entering into a cap with the same terms and conditions that would have the effect of preserving the respective full payment obligations of the parties, using such market quote which has been accepted and has become legally binding on the Issuer, the lowest such market quotation if no such market quotation has been so accepted, or if there are no such market quotations then the Issuer's good faith estimate of its loss or gain in connection with the transactions being terminated; or (ii) the 1992 ISDA Master Agreement standard methodology for calculating such amount based on second method and loss.

A segregated Cap Collateral Account is established with the Account Bank and security created over such account in favour of the Security Trustee in accordance with provisions in

the Bank Account Agreement and the Deed of Charge. Any cash collateral posted to such Cap Collateral Account as a result of a ratings downgrade (as referred to above) shall bear interest. Such cash collateral shall be segregated from the Transaction Account and from the general cash flow of the Issuer and shall not constitute Collections. Collateral posted to such Cap Collateral Account is solely for the purposes of, and in connection with, collateralising the Cap Agreement.

In connection with a cessation, modification or event which means the parties are no longer permitted to use LIBOR as a benchmark, the Cap Agreement contains provisions whereby the Calculation Agent can make required adjustments as are necessary to ensure the legal and commercial efficacy of the Cap Agreement. Such adjustments may include changing the Floating Rate Option (as defined in the Cap Agreement). There can be no assurance that any such adjustments will result in the Floating Rate Option (as defined in the Cap Agreement) under the Cap Agreement being the same as the modified reference rate for the Notes. In addition, the Calculation Agent may make a running adjustment to the Spread (as defined in the Cap Agreement) that the Calculation Agent determines is required in order to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one party to the other as a result of any adjustments made to the Cap Agreement in these circumstances. When making any such adjustments, the Calculation Agent shall act in good faith and in a commercially reasonable manner.

The Cap Agreement provides that the parties will consent to and make such changes to the Cap Agreement as are reasonably required in connection with an amendment to EMIR. The parties also agree to consult in respect of making amendments to the Cap Agreement in connection with any other regulatory change.

The Cap Provider may transfer its rights and obligations under the Cap Agreement to a third party which is an Eligible Cap Provider.

The Cap Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

9. **DEED OF CHARGE**

The Notes and Residual Certificates are secured and will share the Security with the other Secured Obligations of the Issuer as set out in the Deed of Charge. The security granted by the Issuer includes:

- (a) an assignment by way of first fixed security of all of its present and future right, title and interest to, in and under the Purchased Receivables;
- (b) an assignment by way of first fixed security of all of its present and future right, title and interest to, in and under the Collection Account Declarations of Trust;
- (c) an assignment by way of first fixed security of all its right, title, interest and benefit, present and future, in, under and to all sums of money which may now be or hereafter are from time to time standing to the credit of the Issuer Accounts together with all interest accruing from time to time thereon and the debts represented thereby;
- (d) an assignment by way of first fixed security of the benefit of the Issuer under each Charged Document (other than the Deed of Charge); and
- (e) a first floating charge over all the assets and undertaking of the Issuer (including any property or assets from time to time or for the time being effectively charged by way of fixed charge or assigned by way of security, and the whole of the Issuer's undertaking, property assets and rights situated in Scotland or otherwise governed by Scottish law).

In addition, as continuing security for the payment or discharge of the Secured Obligations, the Issuer has granted the Scottish Supplemental Charge in favour of the Security Trustee, for itself and on trust for the Secured Creditors relative to the Vehicle Declaration of Trust, under which the Issuer assigns, by way of security, all of its present and future right, title and interest in and to the Vehicle Trust Property and in and to the Vehicle Declaration of Trust.

Enforcement of the Security

If the Note Trustee serves a Note Acceleration Notice on the Issuer and the Security Trustee, and the Security thereby becomes enforceable, the Note Trustee may at its discretion direct the Security Trustee to take action to enforce the Security, and will direct the Security Trustee to take such action to enforce the Security if so directed by the (i) holders of at least 25% in aggregate Outstanding Note Principal Amount of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes; (ii) following redemption in full of the Notes, if so directed by the holders of at least 25% in number of the Residual Certificates then in issue or if so directed by an Extraordinary Resolution of the Certificateholders (subject, in each case, to the Note Trustee being indemnified and/or secured and/or prefunded to its satisfaction).

To the extent that the Note Trustee acts in accordance with such directions of the Most Senior Class of Notes or the Certificateholders (as applicable), as described above, it will have no obligation to take the interests of any other party into account or to follow any direction given by any other party. Only the Note Trustee and the Security Trustee may enforce the rights of the Noteholders and Certificateholders against the Issuer, whether the same arise under general law, the Conditions, the Residual Certificates, any Transaction Document or otherwise.

Waivers, consents and approvals

The Security Trustee will waive or authorise any breach or proposed breach by the Issuer or any other person of any of the covenants or provisions of any Transaction Document only if so directed by the Instructing Party or (if and in so far as in the Note Trustee's opinion the interests of the Most Senior Class of Notes shall not be materially prejudiced thereby) by the Note Trustee.

If a request is made to the Security Trustee by the Issuer or any other person to give its consent or approval to any matter, then if any Transaction Document specifies that the Security Trustee is required to give its consent or approval to that matter if certain specified conditions are satisfied the Security Trustee will give its consent or approval to that matter upon being reasonably satisfied that those specified conditions have been satisfied. In any other case, the Security Trustee shall give its consent or approval to that event, matter or thing only if so directed by the Instructing Party.

Post-Acceleration Priority of Payments

On enforcement of the Security, the Security Trustee is required to apply moneys available for distribution to satisfy the amounts owing by the Issuer in the Post-Acceleration Priority of Payments.

Shortfall after application of net proceeds of the Security

If the net proceeds of the Security being enforced and liquidated in accordance with the Deed Of Charge are not sufficient to pay the Notes and the Residual Amounts after payment of all other claims ranking in priority thereto, the obligations of the Issuer under the Notes and the Residual Certificates will be limited to such net proceeds and no other assets of the Issuer will be available for any further payments on the Notes and the Residual Certificates. The right to receive any further payments will be extinguished.

The Deed of Charge will be governed by English law but any term particular to the law of Scotland will be construed in accordance with the laws of Scotland. The Scottish Supplemental Charge will be governed by the laws of Scotland.

10. **COLLECTION ACCOUNT DECLARATIONS OF TRUST**

BMF DD Collection Account Declaration of Trust

On or around the Closing Date, under the BMF DD Collection Account Declaration of Trust the BMF DD Collection Account Holder will declare a trust in favour of itself, the Issuer and BMFL over all amounts from time to time standing to the credit of the BMF DD Collection Account (into which all Obligors are directed to make payment in respect of the Purchased Receivables, other than prepayments and certain other exceptional payments to be received from Obligors, which Obligors are directed to pay to the Seller Collection Account), whether or not relating to the Purchased Receivables. The interest of the Issuer under such trust shall be from time to time such proportion of the amount standing to the credit of the BMF DD Collection Account as the amounts derived from Purchased Receivables comprised in the Portfolio and their Ancillary Rights shall at the relevant time bear to the total amount standing to the credit of the Collection Account at that time.

From time to time, further beneficiaries may accede to the terms of the BMF DD Collection Account Declaration of Trust where they have acquired a portfolio of receivables from BMFL and payments in respect of those receivables are expected to be made to the BMF DD Collection Account.

Seller Collection Account Declaration of Trust

On or around the Closing Date, under the Seller Collection Account Declaration of Trust BMFL will declare a trust in favour of itself, the Issuer and various other parties beneficially entitled to other Receivables originated by BMFL over all amounts from time to time standing to the credit of the Seller Collection Account (into which all Obligors are directed to make prepayments and certain other exceptional payments to be received from Obligors), whether or not relating to the Purchased Receivables. The interest of the Issuer under such trust shall be from time to time such proportion of the amount standing to the credit of the Seller Collection Account as the amounts derived from Purchased Receivables comprised in the Portfolio and their Ancillary Rights shall at the relevant time bear to the total amount standing to the credit of the Seller Collection Account at that time. The interest of the other beneficiaries (other than BMFL) under such trust shall be from time to time such proportion of the amount standing to the credit of the Seller Collection Account as the amounts derived from Receivables comprised in portfolios beneficially owned by such beneficiaries shall at the relevant time bear to the total amount standing to the credit of the Seller Collection Account at that time. BMFL's interest under such trust shall be such proportion of the amount standing to the credit of the Seller Collection Account which is not allocated to any other party.

From time to time, further beneficiaries may accede to the terms of the Seller Collection Account Declaration of Trust where they have acquired a portfolio of receivables from the Seller and payments in respect of those receivables are expected to be made to the Seller Collection Account.

Transfer of Collections

The Servicer will, within 2 Business Days of applying Collections standing to the credit of the Collection Accounts to an Obligor's account (or, in respect of Collections received on or after the Cut-Off Date but prior to the Closing Date, within 5 Business Days following the Closing Date), pay from the Collections Account all monies received with respect to the Purchased Receivables into the Transaction Account.

Each Collection Account Declaration of Trust and any non-contractual obligations arising out of or in connection with it will be governed by English law.

11. TRUST DEED

The Notes and the Residual Certificates will be constituted pursuant to the Trust Deed to be entered into on the Closing Date between the Issuer and the Note Trustee.

Citicorp Trustee Company Limited will agree to act as Note Trustee subject to the conditions contained in the Trust Deed.

The Trust Deed contains provisions requiring the Note Trustee to take into account the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class X Noteholders and the Certificateholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee (except where expressly provided otherwise), but requiring the Note Trustee in any such case, for so long as any Class A Notes remain outstanding, to take into account only the interests of the Class A Noteholders if, in the opinion of the Note Trustee, there is a conflict between the interests of the Class A Noteholders and the interests of the Class B Noteholders and/or the Class C Noteholders and/or the Class D Noteholders and/or Class E Noteholders and/or Class X Noteholders and/or the interests of the Certificateholders and, following the redemption in full of the Class A Notes, to take into account only the interests of the Class B Noteholders if, in the opinion of the Note Trustee, there is a conflict between the interests of the Class B Noteholders and the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class E Noteholders and/or the interests of the Class X Noteholders and/or the interests of the Certificateholders and following the redemption in full of the Class A Notes and the Class B Notes, to take into account only the interests of the Class C Noteholders, if in the opinion of the Note Trustee, there is a conflict between the interests of the Class C Noteholders and the interests of the Class D Noteholders, and/or the interests of the Class E Noteholders and/or the interests of the Class X Noteholders and/or the interests of the Certificateholders, and following the redemption in full of the Class A Notes, the Class B Notes and the Class C Notes, to take into account only the interests of the Class D Noteholders, if in the opinion of the Note Trustee, there is a conflict between the interests of the Class D Noteholders and the interests of the Class E Noteholders and/or the interests of the Class X Noteholders and/or the interests of the Certificateholders, and following the redemption in full of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, to take into account only the interests of the Class X Noteholders, if in the opinion of the Note Trustee, there is a conflict between the interests of the Class X Noteholders and the interests of the Class E Noteholders and/or the interests of the Certificateholders, and following the redemption in full of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class X Notes, to take into account only the interests of the Class E Noteholders, if in the opinion of the Note Trustee, there is a conflict between the interests of the Class E Noteholders and the interests of the Certificateholders.

No Class of Noteholders may request or direct the Note Trustee or the Issuer to take any action or pass any effective Extraordinary Resolution if the effect of the same would, in the sole opinion of the Note Trustee, be materially prejudicial to the interests of any more senior ranking Class of Noteholders, and neither the Note Trustee nor the Issuer will be responsible to such Class of Noteholders for disregarding any such request, direction or resolution.

For so long as any Notes remain outstanding, none of the Certificateholders may request or direct the Note Trustee or the Issuer to take any action or pass any effective Extraordinary Resolution if the effect of the same would, in the sole opinion of the Note Trustee, be materially prejudicial to the interests of the Noteholders (or any Class thereof), and neither the Note Trustee nor the Issuer will be responsible to the Certificateholders for disregarding any such request, direction or resolution.

The Trust Deed will contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and providing for its indemnification in certain circumstances.

The Trust Deed provides that the Note Trustee will be obliged to take action on behalf of the Noteholders and Certificateholders and the Secured Creditors in certain circumstances, provided always that the Note Trustee is indemnified and/or secured and/or prefunded to its satisfaction. Further, the Note Trustee will not be obliged to act on behalf of the Noteholders and Certificateholders or any other Secured Creditors where it would not have the power to do so by virtue of any applicable law or where such action would be illegal in any applicable jurisdiction

In accordance with the terms of the Trust Deed, the Issuer will pay a fee to the Note Trustee for its services under the Trust Deed at the rate and times agreed (and as amended from time to time) between the Issuer and the Note Trustee together with payment of any liabilities incurred by the Note Trustee in relation to the Note Trustee's performance of its obligations under the Trust Deed.

The Conditions of the Notes, including a summary of the provisions regarding Meetings of the Noteholders, are reproduced in full in the section headed "*CONDITIONS OF THE NOTES*".

The Residual Certificate Conditions, including a summary of the provisions regarding Meetings of the Certificateholders, are reproduced in full in the section headed "*CONDITIONS OF THE RESIDUAL CERTIFICATES*".

The Trust Deed and any non-contractual obligations arising out of or in connection with it will be governed by English law.

DESCRIPTION OF THE PORTFOLIO

The following is a description of the Portfolio.

1. THE RECEIVABLES

The Purchased Receivables comprise claims against borrowers (or any guarantors) ("**Obligors**") in respect of payments due under HP Agreements (excluding Excluded Amounts) for the provision of credit for the purchase of new and used motor vehicles. The HP Agreements are governed by English law.

HP Agreements are a traditional method of financing a vehicle whereby the Obligor pays for the use of a Vehicle over an agreed period of time for agreed regular payments. In some cases the Obligor may pay a deposit in respect of the Vehicle but this is not necessarily a requirement. Although the Obligor is the registered keeper of the vehicle during the hire period, BMFL retains ownership (title) to the vehicles. The HP Agreements contain provisions entitling, but not obliging, the Obligor to purchase the vehicle at the end of the hire period upon payment of certain administrative fees and gains title to the Vehicle. Interest is calculated on the amount financed after the deposit has been paid.

Since origination all of the Receivables in the Portfolio have been held in a special purpose vehicle used for warehousing purposes by the Seller or a special purpose vehicle used by a third party for the purchase of receivables.

2. THE PURCHASE PRICE

The Purchase Price will be paid by the Issuer to the Seller on the Closing Date as total consideration with respect to the Receivables (together with their related Ancillary Rights) and equals the aggregate of (1) the Principal Element Purchase Price and (2) the Premium Element Purchase Price.

The Principal Element Purchase Price is equal to the Aggregate Outstanding Principal Balance on the Cut-Off Date. The Premium Element Purchase Price is the amount by which the Purchase Price exceeds the Aggregate Outstanding Principal Balance of the Receivables on the Cut-Off Date and will represent a premium over par for the purchase of the Portfolio.

The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes issued by the Issuer are 100% collateralised by the Portfolio of Purchased Receivables.

3. ELIGIBILITY CRITERIA

"**Eligibility Criteria**" means, in respect of any Receivable (including, where relevant its Ancillary Rights):

- (a) The related HP Agreement was originated by BMFL in the ordinary course of its business at the point of sale by a Dealer or a Broker in accordance with its Credit and Collection Procedures;
- (b) The related HP Agreement had an original term of not less than 12 months and not more than 85 months;
- (c) The trading address of the Dealer was an address in England, Wales or Scotland;
- (d) As at the relevant origination date, the Obligor resided in England, Wales or Scotland or, if the Obligor is a corporate entity, had its registered office in England, Wales or Scotland;
- (e) The related HP Agreement was originated using Standard Documentation;

- (f) To the best of the Seller's knowledge and belief, the Receivable is owed by an Obligor who is not bankrupt, in liquidation, administration, receivership or any other form of insolvency process, dead or suspected of fraud;
- (g) The Receivable is not a Defaulted Receivable or a Voluntarily Terminated Receivable;
- (h) The related HP Agreement provides for fixed monthly payments from the Obligor and a final payment which is not greater than the amount of any Monthly Payment preceding it, disregarding any option to purchase fees or other fees (provided the total of such fees does not exceed £250);
- (i) The Receivable is denominated and payable in Sterling;
- (j) BMFL has received confirmation from the Dealer that the Vehicle has been delivered to the relevant Obligor;
- (k) As at the relevant origination date and as at the Cut-Off Date in respect of the Receivable, the Obligor is not an employee of BMFL having taken out the related HP Agreement under any staff scheme or, if a corporate entity, as Affiliate of BMFL;
- (l) The related HP Agreement is (if subject to the CCA) not subject to a "modifying agreement" (as such term is defined in the CCA);
- (m) Upon the execution of the Transaction Documents, no one other than the Issuer and the Secured Creditors, has any beneficial entitlement to the Receivable;
- (n) The related HP Agreement is freely transferable by the Seller and there is no restriction on the Seller declaring a trust over the relevant Vehicle Trust Property and the disclosure of information relating to the relevant Obligor as contemplated by, and for the purposes envisaged by, the Receivables Sale and Purchase Agreement is not contrary to relevant data protection legislation;
- (o) Payments on the Receivable are not more than one monthly payment in arrears;
- (p) The express terms of the related HP Agreement do not provide for it to be the subject of or connected with collateral protection insurance or any other ancillary insurance product (including guaranteed asset protection insurance);
- (q) The Receivable has an Outstanding Principal Balance not less than £100 and not greater than £100,000;
- (r) No withholding taxes are applicable to any payments made under the related HP Agreement;
- (s) No stamp duty or stamp duty reserve tax is payable in connection with the transfer of the Receivable or its Ancillary Rights to the Issuer;
- (t) Neither the Purchased Receivables nor any of the Ancillary Rights relating thereto is or includes stock or a marketable security (as such terms are defined for the purposes of section 122 of the Stamp Act 1891), a chargeable security (as such term is defined for the purposes of section 99 of the Finance Act 1986) or a chargeable interest (as such term is defined for the purposes of section 48 of the Finance Act 2003);
- (u) The related HP Agreement is governed by the laws of England and Wales
- (v) As at the relevant origination date, the Obligor had executed a valid direct debit mandate in favour of the BMF DD Collection Account in relation to the Monthly Payments;

- (w) The related HP Agreement in respect of which the Receivable arises includes the benefit of retention of title by the Seller over the related Vehicle;
- (x) A fixed rate of interest is payable under the related HP Agreement;
- (y) The sole purpose of the related HP Agreement was the financing of a single Vehicle;
- (z) As at the relevant origination date, the Loan-to-Value Ratio of the related HP Agreement was not greater than 125%;
- (aa) The Seller is not required to provide any maintenance in respect of the Vehicle;
- (bb) Since the origination date there has been no waiver, variation or amendment in respect of the original terms of the related HP Agreement which was a Non-Permitted Variation;
- (cc) The related HP Agreement is a Risk Tier 1 HP Agreement, a Risk Tier 2 HP Agreement, a Risk Tier 3 HP Agreement, a Risk Tier 4 HP Agreement, a Risk Tier 5 HP Agreement, a Risk Tier 6 HP Agreement, a Risk Tier 7 HP Agreement or a Risk Tier 8 HP Agreement;
- (dd) The Obligor is not a governmental authority or organisation or other public body;
- (ee) No right of cancellation has arisen under the Receivable;
- (ff) The related HP Agreement relates to a new Vehicle or a used Vehicle which will, on the maturity of the related HP Agreement, be 170 months old or less;
- (gg) To the best of the Seller's knowledge, as at the relevant origination date and as at the Cut-Off Date in respect of a Receivable, the Obligor does not have more than two live HP Agreements with BMFL;
- (hh) As at the Cut-Off Date, the Seller's interest in relation to the related Vehicle is registered with the Car Data Register or another nationally recognised agency that records interests in vehicles;
- (ii) If the related HP Agreement relates to a motorcycle, the Outstanding Principal Balance of the Receivable on the relevant origination date was at least £2,000;
- (jj) The terms of the related HP Agreement require the Obligor thereunder to insure the Vehicle which is the subject thereof comprehensively against all normally insurable risks (subject to all normal excesses and deductibles);
- (kk) The related HP Agreement (i) discloses an Obligor address in England, Wales or Scotland, (ii) has been duly executed by or on behalf of the Obligor and (iii) is a legal, valid and binding obligation of the relevant Obligor, subject to any laws or other procedures from time to time in effect relating to bankruptcy, insolvency or liquidation of the Obligor affecting the enforcement of creditors' rights and the effect of principles of equity, if applicable, is in all material respects enforceable in accordance with its terms and is non-cancellable and freely assignable;
- (ll) Neither the Receivable nor the related HP Agreement are subject to any claim, counterclaim, right of revocation, equity, defence, right of retention or set-off by the Obligor except rights arising by virtue of sections 56, 75 or 75A of the CCA;
- (mm) The related HP Agreement is not capable of giving rise to (or linked in any way to any collateral contract in respect of, or including, the insurance of the Vehicle the subject of the related HP Agreement or in respect of the Obligor thereunder, or the

maintenance or servicing of such Vehicle between the Seller and the relevant Obligor which may give rise to) any liability on the part of the Seller to pay money or perform any other onerous act (other than with respect to any claims the Obligor may have against the Seller as a result of the SGITA, section 56 of the CCA or the CRA (as applicable));

- (nn) The Vehicle has not been repossessed by the Seller and the Seller has not given any notice, nor applied for any court order, under the CCA, in order to repossess the Vehicle as at the Cut-Off Date; and
- (oo) The relevant Obligor has made at least one full payment to the Seller.

The Seller will give representations and warranties as to the compliance of the Purchased Receivables with the Eligibility Criteria, and shall be required to repurchase any Purchased Receivable in respect of which there is a breach of such representations and warranties, as described in the section "*Seller Receivables Warranties*" below.

4. SELLER RECEIVABLES WARRANTIES

On the Closing Date (and, for so long as the Seller is the Servicer, on each date on which a Permitted Variation is agreed by the Servicer), the Seller will represent and warrant to the Issuer and the Security Trustee in respect of each Receivable to be transferred to the Issuer on such date (or in the case of a Receivable subject to Permitted Variation, on the date of that Permitted Variation in respect of that Receivable, as applicable) and the related HP Agreement, and with reference to the facts and circumstances subsisting (unless stated to the contrary in the Receivables Sale and Purchase Agreement) as at the Cut-Off Date or, in respect of a Permitted Variation, as at the date of that Permitted Variation, as follows:

- (a) **Compliance with Eligibility Criteria:** Each Receivable and each related HP Agreement complies in all respects with the Eligibility Criteria;
- (b) **Status:** Each related HP Agreement was entered into on the terms of one of the Standard Documents without alteration or addition to the form (other than the form being completed in accordance with the Seller's policies) and no related HP Agreement is a "modifying agreement" as defined in section 82(2) of the CCA or a novated agreement;
- (c) **Legal and beneficial ownership:** Immediately prior to the Closing Date, the Seller is the sole legal and beneficial owner of each Receivable and the Ancillary Rights relating thereto and is selling each Receivable and the Ancillary Rights relating thereto free from any Adverse Claim (including rights of attaching creditors and trust interests) and, save as provided for in the Transaction Documents and save for the rights of the Obligor under the relevant related HP Agreement, there is no option or right to acquire or create any Adverse Claim, on, over or affecting the Receivable or the Ancillary Rights relating thereto;
- (d) **No Default:** So far as the Seller is aware, there is no default, material breach or violation under any related HP Agreement which has not been remedied nor any event which, with the giving of notice and/or the making of any determination and/or the expiration of any applicable grace period, would constitute such default, material breach or violation, provided that any breach or violation shall be material if it in any way affects the amount or the collectability of the Receivables arising under the related HP Agreement and provided further that any breach relating to non-payment shall not be material (and a default relating to non-payment will not constitute a default for the purposes of this provision) unless it would be such as would cause the relevant Receivable not to comply with the Eligibility Criteria;

- (e) **Option to purchase and return of goods:** No related HP Agreement provides for (i) an option to purchase fee greater than £250 or (ii) an option to return the Vehicle instead of paying the final repayment due under the HP Agreement (excluding any options fees, the right of the Obligor to voluntarily terminate an HP Agreement pursuant to Section 99 of the CCA and where an Obligor returns the related Vehicle rather than paying the relevant final option to purchase fee);
- (f) **The Seller's Records:** The Seller (or the Seller's agents on the Seller's behalf) has maintained records relating to each Receivable and related HP Agreement which are accurate and complete in all material respects and which, to the best of the knowledge, information and belief of the Seller, are sufficient to enable such related HP Agreement to be enforced against the relevant Obligor and such records are held by or to the order of the Seller;
- (g) **Credit and Collection Procedures:** Each related HP Agreement was originated and is serviced in accordance with the Credit and Collection Procedures;
- (h) **Consumer Credit:**
 - (i) each related HP Agreement was originated by the creditor named as such in the related HP Agreement, as sole principal, and without any agent lender;
 - (ii) all necessary permissions pursuant to the FSMA are held; and
 - (iii) (1) each Dealer, (2) each Broker and (3) each other person who carried on in relation to a related HP Agreement the regulated activity of "credit broking" as defined in Article 36A(1) of the FSMA (Regulated Activities) Order 2001 (as amended), has at all material times held the relevant permission under the FSMA;
- (i) **Ownership:** The Seller is the legal and beneficial owner of the Vehicle to which each Receivable relates and no other person has any right or claim thereto (other than the Obligor under the related HP Agreement);
- (j) **Unfair Relationship:** So far as the Seller is aware, no related HP Agreement whether alone or with any related agreement, gives rise to any "unfair relationship" between the creditor and the debtor for the purposes of sections 140A to 140C of the CCA;
- (k) **Distance Marketing:** If the related HP Agreement qualifies as a "distance contract" (as defined in the Financial Services (Distance Marketing) Regulations 2004), the provisions of such regulations have been complied with in respect of such related HP Agreement;
- (l) **Fraud:** So far as the Seller is aware (which qualification will not apply to fraud on its own part), each related HP Agreement under which a Receivable arises has not been entered into fraudulently;
- (m) **Sale of Goods Act 1979, the CRA and other statutes:** Each Dealer Contract provides that all terms implied by statute relating to the sale of the Vehicles to the Seller will apply in relation to the Vehicles;
- (n) **Obligor obligations:** Each related HP Agreement includes obligations on the Obligor
 - (i) to keep the Vehicle in good condition and repair except for fair wear and tear and
 - (ii) to have the Vehicle serviced in accordance with the manufacturer's recommendations and any applicable warranty;
- (o) **Set-off Receivables:** The Receivable is not a Set-off Receivable;

- (p) **UTCC Regulations and CRA:** To the extent that any the related HP Agreement was entered into between the Seller and a "consumer" resident in the United Kingdom and such related HP Agreement was not "individually negotiated" with such consumer (as such terms are defined in UTCC Regulations), (i) none of the terms contained in such related HP Agreement are unfair terms within the meaning of UTCC Regulations or the CRA and no injunction, interdict or other order has been granted by the court pursuant to regulation 12 of UTCC Regulations or Part 1 of the CRA which might prevent or restrict the use in a related HP Agreement of any particular term or the enforcement of any such term and (ii) in carrying out the procedures for enabling Obligor to enter into such related HP Agreement, the Seller complied with UTCC Regulations and the CRA and, in particular, ensured that each Obligor had a real opportunity of becoming acquainted with the terms of the relevant related HP Agreement before the conclusion of the related HP Agreement, except with respect to any provision or provisions of any related HP Agreement the invalidity or unenforceability of which taken as a whole would not reasonably be expected to have a material adverse effect on the enforceability or collectability of the relevant Receivables;
- (q) **Origination and administration:** Each Receivable and related HP Agreement has been administered and originated in compliance with all applicable English and Scots laws, rules and regulations (including the Data Protection Act 1998, the CCA and subordinate legislation made pursuant to that Act, FSMA and the FCA's Consumer Credit sourcebook) except in each case as such non-compliance would not reasonably be expected to have a material adverse effect on the Seller's ability to perform its obligations under any related HP Agreement or the validity or enforceability of any related HP Agreement or the collectability of all or a significant proportion of the Receivables;
- (r) **Receivables Listing:** The Receivables Listing correctly specifies the Receivables which are to be transferred to the Issuer on the Closing Date; and
- (s) **Date of origination:** Each related HP Agreement was entered into after 30 September 2014,

provided that where any such Permitted Variation is required by law or regulation, the Seller will only represent and warrant:

- (i) in the terms set out in paragraphs (a), (f), (g), (h), (i), (j) and (q) above;
- (ii) in the terms set out in paragraph (b) above (but only that no related HP Agreement is a "modifying agreement" as defined in section 82(2) of the CCA or a novated agreement);
- (iii) in the terms set out in paragraph (c) above (but only that there is no option to acquire or create any Adverse Claim, on, over or affecting the Receivable or the Ancillary Rights relating thereto); and
- (iv) that the Permitted Variation is required by law or regulation.

If one or more Seller Receivables Warranties proves to have been incorrect on the date on which such Seller Receivables Warranty was made and, if applicable, the relevant breach cannot be remedied, the Seller will be required to repurchase the relevant Purchased Receivable on the next Interest Payment Date as more fully described in the section "*OVERVIEW OF PRINCIPAL TRANSACTION DOCUMENTS – Receivables Sale and Purchase Agreement*" above.

5. NOTIFICATION OF ASSIGNMENT TO OBLIGORS

The Obligors will only be notified by the Servicer in respect of the assignment of the Purchased Receivables upon request by the Issuer following the occurrence of a Perfection Event.

Should the Servicer fail to notify the Obligors within 3 Business Days of a Perfection Event, the Issuer (or an agent appointed on its behalf and subject to Data Protection Laws) shall promptly give notice in its own name (and/or on behalf of the Seller pursuant to the Seller Power of Attorney) of the sale, assignment and assignation of all or any of the Purchased Receivables by delivering a Perfection Event Notice within 5 Business Days of a Perfection Event. Furthermore, at any time after the occurrence of a Perfection Event, each of the Issuer and the Security Trustee may:

- (a) direct (and/or require the Servicer to direct) all or any of the Obligors to pay amounts outstanding in respect of Purchased Receivables directly to the Issuer, the Transaction Account or any other account which is specified by the Issuer or the Security Trustee; and/or
- (b) take such other action and enter into such documents as it reasonably considers to be necessary, appropriate or desirable in order to recover any amount outstanding in respect of Purchased Receivables or to perfect, improve, protect, preserve or enforce their rights against the Obligors in respect of Purchased Receivable (including, without limitation, entering into supplemental transfer documents).

The Purchased Receivables acquired and transferred by assignment or held in trust under the Receivables Sale and Purchase Agreement have characteristics that demonstrate capacity to produce funds to service payments due and payable on the Notes; however, BMFL does not warrant the credit standing of the relevant Obligors.

PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA

The statistical and other information contained in this section has been compiled by reference to a portfolio of £365,000,010 as at the Cut-Off Date (on the basis of information provided by the Seller) (the "**Portfolio**") and is described further in the section entitled "*DESCRIPTION OF THE PORTFOLIO*" above.

The information contained in this section has been updated to reflect any decrease in the size of the Portfolio from that of the Provisional Portfolio.

The Aggregate Outstanding Principal Balance of the Portfolio as at the Cut-Off Date will be equal to the Aggregate Outstanding Note Principal Amount of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

Except as otherwise indicated, these tables have been prepared using the outstanding current balance as at the Cut-Off Date. Note that due to rounding to 2 decimal points, columns may not sum to the total values.

The characteristics of the Portfolio differ from the characteristics of the Provisional Portfolio as at the Provisional Cut-Off Date, because of (i) redemptions of HP Agreement occurring, or enforcement procedures being completed, in each case during the period between the Provisional Cut-Off Date and the Cut-Off Date and/or (ii) the Seller becoming aware that one or more of the loans in the Provisional Portfolio did comply with the Seller Receivables Warranties on the Closing Date.

As at the Cut-Off Date, the Portfolio had the following characteristics:

Summary of Portfolio (as of the Cut-Off Date)

Number of Underlying Agreements	46,643
Total Current Outstanding Balance (£)	365,000,010
Average Current Outstanding Principal Balance (£)	7,825
Minimum Current Outstanding Principal Balance (£)	100
Maximum Current Outstanding Principal Balance (£)	63,338
Weighted Average Amortising Interest Rate (%)	14.81%
Weighted Average APR (%)	15.84%
Minimum Original Term (months)	12
Maximum Original Term (months)	85
Weighted Average Original Term (months)	58
Weighted Average Remaining Term (months)	49

Run Out Schedule

The amortisation scenario below is based on the following assumptions:

- (a) that no losses, prepayments or delinquencies occur;
- (b) no option to purchase fees, early repayment charges or other fees, expenses, charges or costs under the HP Agreements are included in determining this Run Out Schedule; and
- (c) in respect of each HP Agreement that has a payment date falling on or after the Cut-Off Date but prior to the end of the calendar month in which the Cut-Off Date falls, two Monthly Payments will be made by the relevant Obligor during the Calculation Period to which the first Interest Payment Date relates.

It should be noted that the actual amortisation of the Purchased Receivables may differ substantially from the amortisation scenario indicated below.

Payment Period	Principal	Interest
0		
1	6,780,223.06	4,563,555.42
2	6,293,593.79	4,113,370.06
3	6,359,995.48	4,041,744.00
4	6,427,359.10	3,969,269.56
5	6,490,411.16	3,895,932.08
6	6,554,820.68	3,821,764.13
7	6,618,340.59	3,746,763.61
8	6,682,124.05	3,670,945.60
9	6,742,109.69	3,594,312.33
10	6,800,005.94	3,516,918.62
11	6,860,527.63	3,438,758.97
12	6,916,554.55	3,359,798.63
13	6,971,980.43	3,280,111.14
14	7,026,646.03	3,199,709.12
15	7,074,427.40	3,118,584.40
16	7,124,959.41	3,036,836.85
17	7,158,507.80	2,954,411.23
18	7,198,111.25	2,871,538.08
19	7,231,302.77	2,788,136.71
20	7,265,103.44	2,704,281.06
21	7,278,464.90	2,619,976.11
22	7,289,241.35	2,535,499.85
23	7,307,617.76	2,450,869.93
24	7,321,959.06	2,365,944.16
25	7,341,833.80	2,280,797.67
26	7,361,728.10	2,195,376.99
27	7,368,116.42	2,109,643.17
28	7,370,672.74	2,023,770.35
29	7,351,443.18	1,937,875.12
30	7,329,881.77	1,852,160.74
31	7,307,281.74	1,766,665.23
32	7,285,178.88	1,681,390.96
33	7,224,119.10	1,596,328.04
34	7,161,272.44	1,511,963.90
35	7,091,221.02	1,428,258.61
36	7,023,120.93	1,345,304.71
37	6,979,990.02	1,263,068.82
38	6,930,729.56	1,181,303.54

39	6,876,815.94	1,100,103.35
40	6,782,688.80	1,019,551.11
41	6,570,911.27	940,141.73
42	6,356,635.33	863,333.46
43	6,186,217.46	789,291.60
44	6,035,866.32	717,345.77
45	5,797,029.99	647,174.02
46	5,486,284.64	579,941.17
47	5,168,606.06	516,575.42
48	4,882,052.51	457,164.24
49	4,578,834.97	401,375.16
50	4,289,388.44	349,523.69
51	3,972,310.75	301,435.61
52	3,645,338.91	257,435.35
53	3,341,209.76	217,543.27
54	3,013,841.97	181,404.90
55	2,696,298.45	149,197.36
56	2,411,335.77	120,563.73
57	1,980,191.92	94,887.91
58	1,493,984.91	73,813.82
59	1,017,039.31	58,071.88
60	564,639.84	47,443.30
61	312,630.77	41,765.76
62	306,533.90	39,137.84
63	304,204.49	36,557.95
64	298,228.55	33,994.13
65	293,539.44	31,477.08
66	287,761.06	29,001.49
67	280,827.60	26,569.94
68	274,225.36	24,197.05
69	268,963.09	21,879.72
70	259,743.35	19,606.86
71	248,546.37	17,410.51
72	237,077.11	15,306.32
73	220,795.10	13,288.72
74	212,592.92	11,403.91
75	198,642.61	9,582.18
76	180,372.30	7,873.66
77	164,500.71	6,334.45
78	145,345.44	4,940.71
79	122,586.62	3,727.03
80	108,258.18	2,716.29
81	89,644.81	1,824.02
82	68,088.35	1,090.99
83	45,646.98	544.33
84	22,754.60	181.39
85	-	-

Breakdown by Outstanding Balance (£)

Outstanding Balance (£)	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance (£)	% Distribution by Balance
0 - 5,000	13,104	28.09%	44,425,971	12.17%
5,000 - 10,000	22,349	47.92%	162,913,903	44.63%
10,000 - 15,000	8,147	17.47%	97,382,286	26.68%
15,000 - 20,000	2,043	4.38%	34,760,577	9.52%
20,000 - 25,000	648	1.39%	14,211,440	3.89%
25,000 - 30,000	173	0.37%	4,663,349	1.28%
30,000 - 35,000	89	0.19%	2,891,175	0.79%
35,000 - 40,000	41	0.09%	1,518,548	0.42%
40,000 - 45,000	30	0.06%	1,275,539	0.35%
45,000 +	19	0.04%	957,222	0.26%
Total	46,643	100.00%	365,000,010	100.00%

Breakdown by OLTV

OLTV	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance (£)	% Distribution by Balance
0.00% - 20.00%	58	0.12%	123,822	0.03%
20.00% - 40.00%	565	1.21%	1,944,124	0.53%
40.00% - 60.00%	1,973	4.23%	9,725,247	2.66%
60.00% - 80.00%	5,518	11.83%	36,450,633	9.99%
80.00% - 100.00%	17,239	36.96%	136,654,570	37.44%
100.00% - 120.00%	17,628	37.79%	150,753,670	41.30%
120.00% - 125.00%	3,662	7.85%	29,347,945	8.04%
Total	46,643	100.00%	365,000,010	100.00%

Breakdown by Vehicle Type

Vehicle Type	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance (£)	% Distribution by Balance
Motor Car	45,274	97.06%	354,929,464	97.24%
Light Commercial Vehicle	1,044	2.24%	8,595,510	2.35%
Motorcycle	325	0.70%	1,475,037	0.40%
Total	46,643	100.00%	365,000,010	100.00%

Breakdown by Fuel Type

Fuel Type	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance (£)	% Distribution by Balance
Diesel	27,983	59.99%	245,669,680	67.31%
Petrol	18,386	39.42%	116,584,290	31.94%
Other	274	0.59%	2,746,041	0.75%
Total	46,643	100.00%	365,000,010	100.00%

Breakdown by Original Term (months)

Original Term (months)	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance (£)	% Distribution by Balance
0 - 20	180	0.39%	376,212	0.10%
20 - 35	2,463	5.28%	7,461,881	2.04%
35 - 50	13,406	28.74%	73,466,886	20.13%
50 - 65	29,171	62.54%	262,920,123	72.03%
65 - 80	491	1.05%	6,421,282	1.76%
80 +	932	2.00%	14,353,625	3.93%
Total	46,643	100.00%	365,000,010	100.00%

Breakdown by Seasoning (months)

Seasoning (months)	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance (£)	% Distribution by Balance
0 - 5	14,093	30.21%	123,838,085	33.93%
5 - 10	12,293	26.36%	100,510,834	27.54%
10 - 15	10,374	22.24%	78,055,827	21.39%
15 - 20	6,522	13.98%	42,934,762	11.76%
20 - 25	2,838	6.08%	17,173,111	4.70%
25 - 30	274	0.59%	1,460,268	0.40%
30 +	249	0.53%	1,027,124	0.28%
Total	46,643	100.00%	365,000,010	100.00%

Breakdown by Remaining Term (months)

Remaining Term (months)	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance (£)	% Distribution by Balance
0 - 10	460	0.99%	552,535	0.15%
10 - 20	1,758	3.77%	4,763,571	1.31%
20 - 30	4,019	8.62%	16,674,339	4.57%
30 - 40	6,769	14.51%	38,003,252	10.41%
40 - 50	13,958	29.93%	107,984,146	29.58%
50 - 60	17,191	36.86%	165,413,223	45.32%
60 +	2,488	5.33%	31,608,943	8.66%
Total	46,643	100.00%	365,000,010	100.00%

Breakdown by APR

APR	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance (£)	% Distribution by Balance
0.00% - 5.00%	1	0.00%	10,993	0.00%
5.00% - 10.00%	6,271	13.44%	64,381,263	17.64%
10.00% - 15.00%	13,328	28.57%	121,346,259	33.25%
15.00% - 20.00%	15,347	32.90%	109,908,074	30.11%
20.00% - 25.00%	5,227	11.21%	32,964,521	9.03%
25.00% +	6,469	13.87%	36,388,900	9.97%
Total	46,643	100.00%	365,000,010	100.00%

Breakdown by Original Balance (£)

Original Balance (£)	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance (£)	% Distribution by Balance
0 - 5,000	9,207	19.74%	28,071,885	7.69%
5,000 - 10,000	22,568	48.38%	146,642,149	40.18%
10,000 - 15,000	10,440	22.38%	111,557,170	30.56%
15,000 - 20,000	2,900	6.22%	43,831,826	12.01%
20,000 - 25,000	991	2.12%	19,473,535	5.34%
25,000 - 30,000	291	0.62%	6,987,034	1.91%
30,000 - 35,000	106	0.23%	3,098,836	0.85%
35,000 - 40,000	69	0.15%	2,289,198	0.63%
40,000 - 45,000	24	0.05%	943,961	0.26%
45,000 +	47	0.10%	2,104,417	0.58%
Total	46,643	100.00%	365,000,010	100.00%

Breakdown by Region

Region	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance (£)	% Distribution by Balance
South East	8,607	18.45%	67,440,761	18.48%
North West	6,422	13.77%	51,441,028	14.09%
Scotland	5,059	10.85%	40,312,009	11.04%
Greater London	4,581	9.82%	39,166,121	10.73%
West Midlands	4,540	9.73%	34,830,919	9.54%
Yorkshire/Humberside	4,099	8.79%	32,892,800	9.01%
Wales	3,220	6.90%	23,204,770	6.36%
South West	2,877	6.17%	21,307,197	5.84%
East Midlands	2,551	5.47%	20,048,364	5.49%
East Anglia	2,653	5.69%	19,162,045	5.25%
North East	2,034	4.36%	15,193,997	4.16%
Total	46,643	100.00%	365,000,010	100.00%

Breakdown by Vehicle Make

Vehicle Make	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance (£)	% Distribution by Balance
Ford	6,771	14.52%	47,029,537	12.88%
Vauxhall	6,791	14.56%	42,217,555	11.57%
BMW	4,110	8.81%	42,387,957	11.61%
Audi	3,243	6.95%	33,134,016	9.08%
Mercedes-Benz	2,312	4.96%	27,913,217	7.65%
Nissan	3,014	6.46%	24,262,804	6.65%
Volkswagen	2,870	6.15%	22,481,072	6.16%
Land Rover	1,030	2.21%	16,802,624	4.60%
Peugeot	2,302	4.94%	13,211,145	3.62%
Citroen	1,850	3.97%	11,045,241	3.03%
Renault	1,642	3.52%	10,254,448	2.81%
Kia	1,111	2.38%	8,451,102	2.32%
Hyundai	934	2.00%	6,764,198	1.85%
Fiat	1,040	2.23%	5,265,102	1.44%
Mini	783	1.68%	5,119,855	1.40%
Seat	739	1.58%	4,653,083	1.27%
Toyota	721	1.55%	4,611,795	1.26%
Volvo	569	1.22%	4,588,439	1.26%
Honda	728	1.56%	4,451,581	1.22%
Jaguar	361	0.77%	4,074,808	1.12%
Mitsubishi	390	0.84%	3,787,796	1.04%
Mazda	478	1.02%	3,051,994	0.84%
Skoda	419	0.90%	2,660,152	0.73%
Suzuki	429	0.92%	2,170,931	0.59%
Mercedes	226	0.48%	1,498,608	0.41%
Dacia	230	0.49%	1,493,299	0.41%
Porsche	63	0.14%	1,414,128	0.39%
Chevrolet	222	0.48%	1,101,478	0.30%
Jeep	109	0.23%	1,073,317	0.29%
Lexus	110	0.24%	983,076	0.27%
Other	1,046	2.24%	7,045,649	1.93%
Total	46,643	100.00%	365,000,010	100.00%

Breakdown by Vehicle Age (years)

Vehicle Age (years)	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance (£)	% Distribution by Balance
0 - 2	4,135	8.87%	46,682,035	12.79%
2 - 4	15,261	32.72%	140,344,314	38.45%
4 - 6	13,435	28.80%	103,804,004	28.44%
6 - 8	9,903	21.23%	59,401,455	16.27%
8 - 10	3,758	8.06%	14,422,406	3.95%
10 - 12	151	0.32%	345,797	0.09%
Total	46,643	100.00%	365,000,010	100.00%

Breakdown by New & Used Vehicles

<u>New & Used Vehicles</u>	<u>Number of Underlying Agreements</u>	<u>% Distribution by Number</u>	<u>Current Outstanding Balance (£)</u>	<u>% Distribution by Balance</u>
New	602	1.29%	7,130,100	1.95%
Used	46,041	98.71%	357,869,910	98.05%
Total	46,643	100.00%	365,000,010	100.00%

Breakdown by Amortising Interest Rate

<u>Amortising Interest Rate</u>	<u>Number of Underlying Agreements</u>	<u>% Distribution by Number</u>	<u>Current Outstanding Balance (£)</u>	<u>% Distribution by Balance</u>
0.00% - 5.00%	3	0.01%	12,763	0.00%
5.00% - 10.00%	8,766	18.79%	85,163,865	23.33%
10.00% - 15.00%	15,762	33.79%	124,849,202	34.21%
15.00% - 20.00%	13,055	27.99%	96,537,462	26.45%
20.00% - 25.00%	4,680	10.03%	31,751,890	8.70%
25.00% +	4,377	9.38%	26,684,828	7.31%
Total	46,643	100.00%	365,000,010	100.00%

Historical performance data

The historical performance data set out hereafter relate to the portfolio of auto Receivables granted by the Seller to Obligors, relating to used or new vehicles.

In each of the tables below, "Q1" refers to the period from 1 January to 31 March, "Q2" refers to the period from 1 April to 30 June, "Q3" refers to the period from 1 July to 30 September and "Q4" refers to the period from 1 October to 31 December.

The tables below were prepared on the basis of the internal records of the Seller.

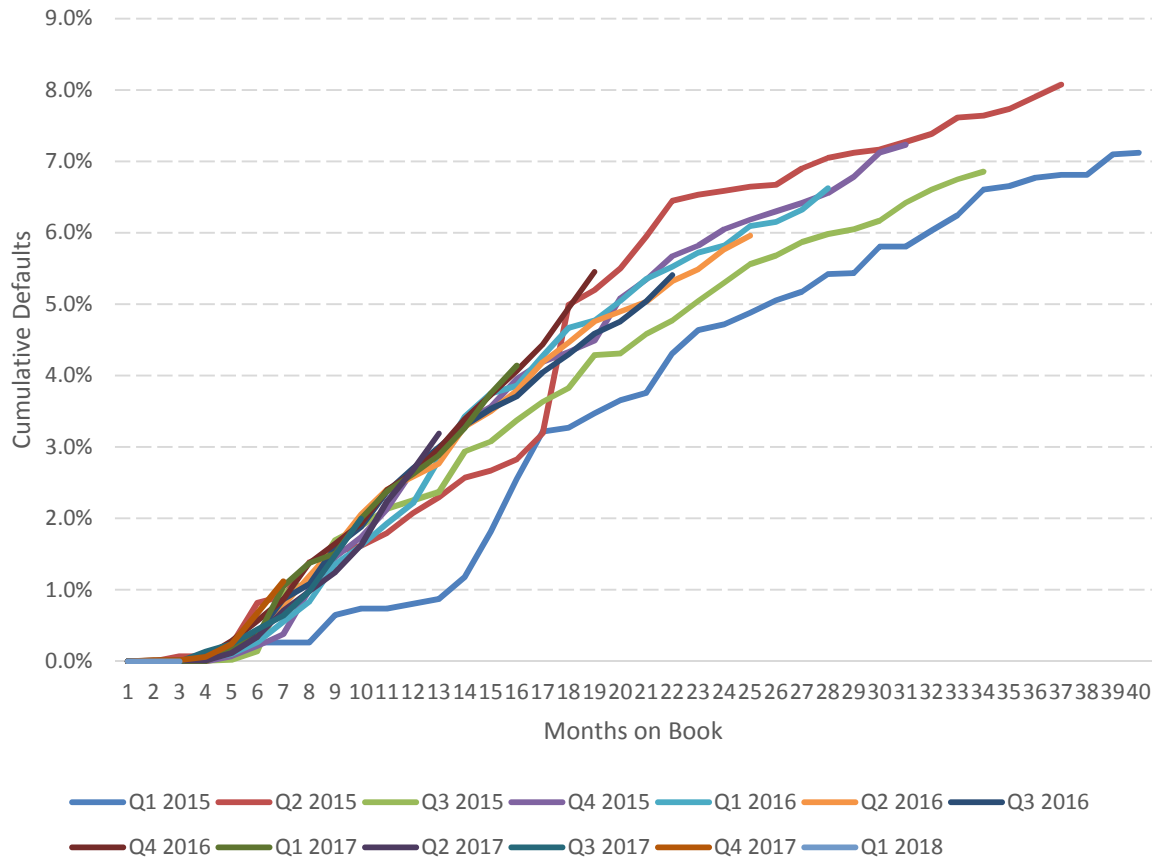
There can be no assurance that the future experience and performance of the Purchased Receivables will be similar to the historical performance set out in the tables below.

Gross default rates

For a generation of originated Receivables (being all Receivables originated during the same quarter), the cumulative gross default rate in respect of a month is calculated as the ratio of:

- i. the cumulative Defaulted amount (excluding VT or only VTs as applicable) recorded between the beginning of the quarter when such Receivables were originated and the relevant month of that quarter, to
- ii. the initial outstanding amount of such Receivables.

The presented default curves are each weighted based on the tier mix of the loans as of the Cut-Off Date.

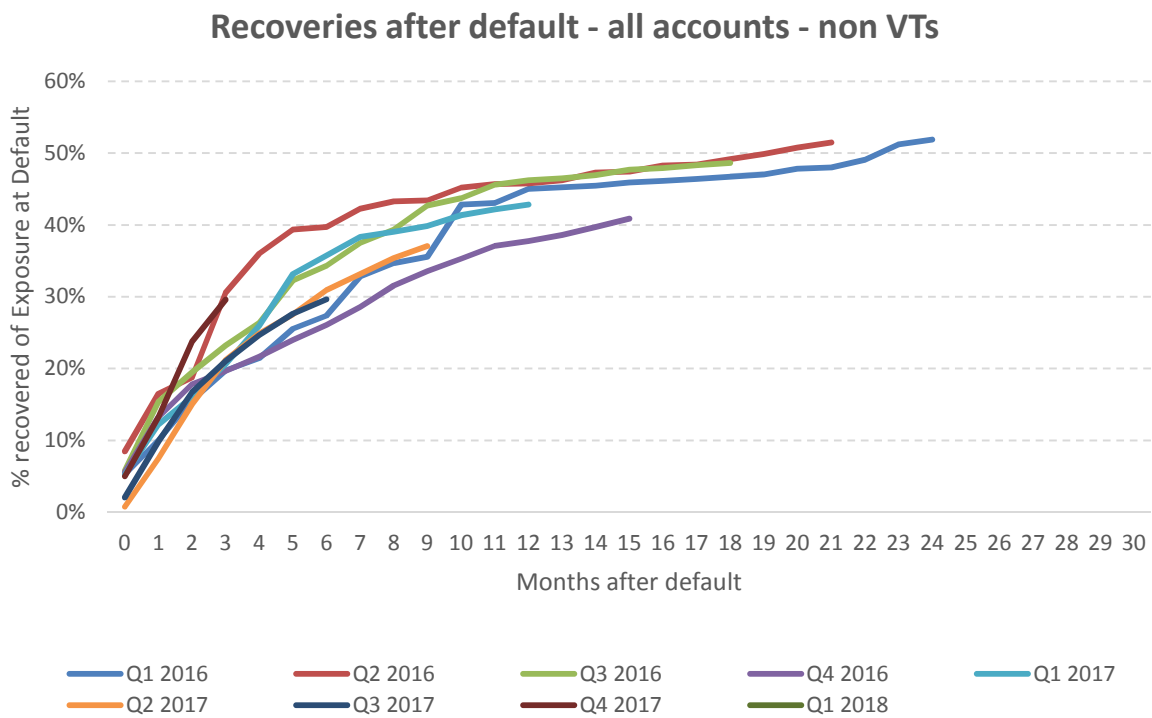


Recovery rates

For a generation of Defaulted Receivables (being all loans defaulted during the same quarter), the cumulative recovery rate in respect of a month is calculated as the ratio of:

- i. the cumulative recovered amounts recorded between the beginning of the quarter when such Receivables were defaulted and the relevant month of that quarter, to
- ii. the gross defaulted amount of such Receivables.

Total Recoveries – Defaulted Receivables



Total recoveries from petrol engine vehicles where the sale of the vehicle occurred between December 2017 and May 2018 is 55%.

Total recoveries from diesel engine vehicles where the sale of the vehicle occurred between December 2017 and May 2018 is 57%.

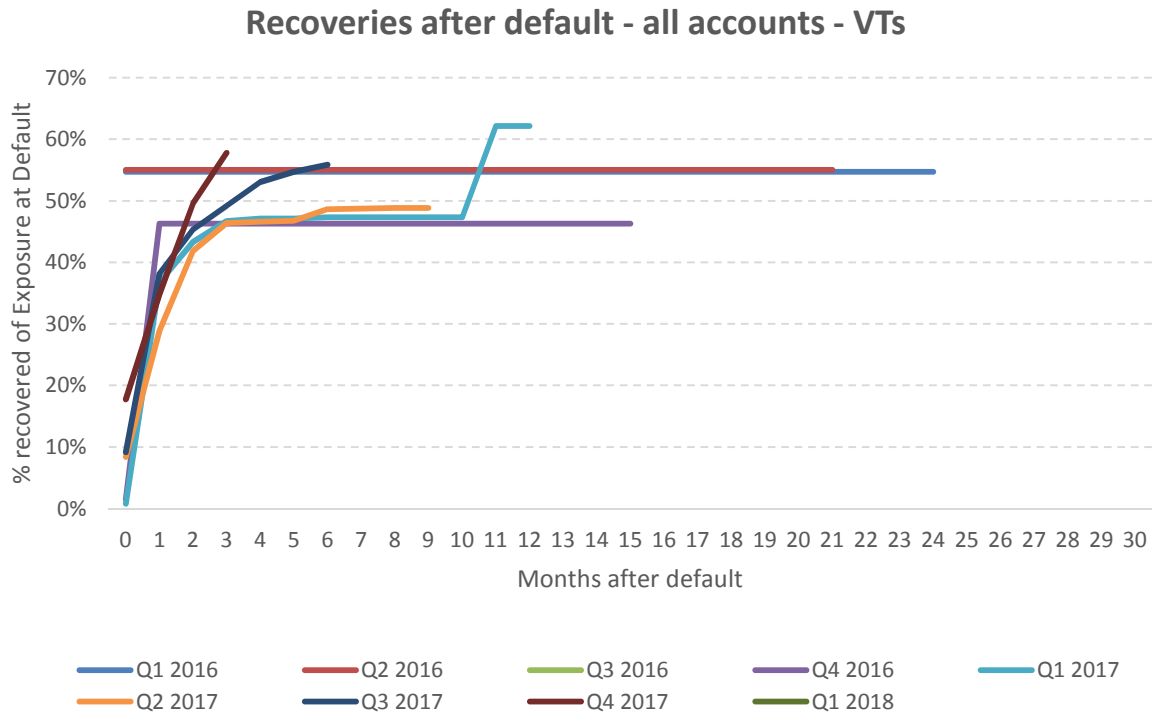
All Recoveries

Months after default	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	2016	2016	2016	2016	2017	2017	2017	2017	2018
0	5%	8%	6%	6%	5%	1%	2%	5%	4%
1	10%	17%	15%	13%	12%	7%	10%	13%	
2	16%	19%	19%	18%	16%	15%	17%	24%	
3	20%	31%	23%	20%	21%	21%	21%	30%	
4	21%	36%	26%	22%	26%	25%	25%		
5	26%	39%	32%	24%	33%	28%	28%		
6	27%	40%	34%	26%	36%	31%	30%		
7	33%	42%	37%	29%	38%	33%			
8	35%	43%	39%	32%	39%	35%			
9	36%	43%	43%	34%	40%	37%			
10	43%	45%	44%	35%	41%				
11	43%	46%	46%	37%	42%				
12	45%	46%	46%	38%	43%				
13	45%	46%	46%	39%					
14	45%	47%	47%	40%					
15	46%	47%	48%	41%					
16	46%	48%	48%						
17	46%	48%	48%						
18	47%	49%	49%						
19	47%	50%							
20	48%	51%							
21	48%	51%							
22	49%								
23	51%								
24	52%								
25									
26									
27									
28									
29									
30									

Sample Size

Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
545,536	689,944	1,319,536	1,605,178	2,331,603	2,362,147	2,722,999	3,234,594	4,807,139

Total Recoveries – VT Receivables



Total recoveries from petrol engine vehicles where the sale of the vehicle occurred between December 2017 and May 2018 is 55%.

Total recoveries from diesel engine vehicles where the sale of the vehicle occurred between December 2017 and May 2018 is 57%.

All Recoveries									
	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Months after default									
0	55%	55%		2%	1%	8%	9%	18%	14%
1	55%	55%		46%	37%	29%	38%	35%	
2	55%	55%		46%	43%	42%	45%	50%	
3	55%	55%		46%	47%	46%	49%	58%	
4	55%	55%		46%	47%	47%	53%		
5	55%	55%		46%	47%	47%	55%		
6	55%	55%		46%	47%	49%	56%		
7	55%	55%		46%	47%	49%			
8	55%	55%		46%	47%	49%			
9	55%	55%		46%	47%	49%			
10	55%	55%		46%	47%				
11	55%	55%		46%	62%				
12	55%	55%		46%	62%				
13	55%	55%		46%					
14	55%	55%		46%					
15	55%	55%		46%					
16	55%	55%							
17	55%	55%							
18	55%	55%							
19	55%	55%							
20	55%	55%							
21	55%	55%							
22	55%								
23	55%								
24	55%								
25									
26									
27									
28									
29									
30									

Sample Size								
Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
1,533	5,251	-	9,130	47,846	146,387	479,245	803,843	919,904

Prepayments

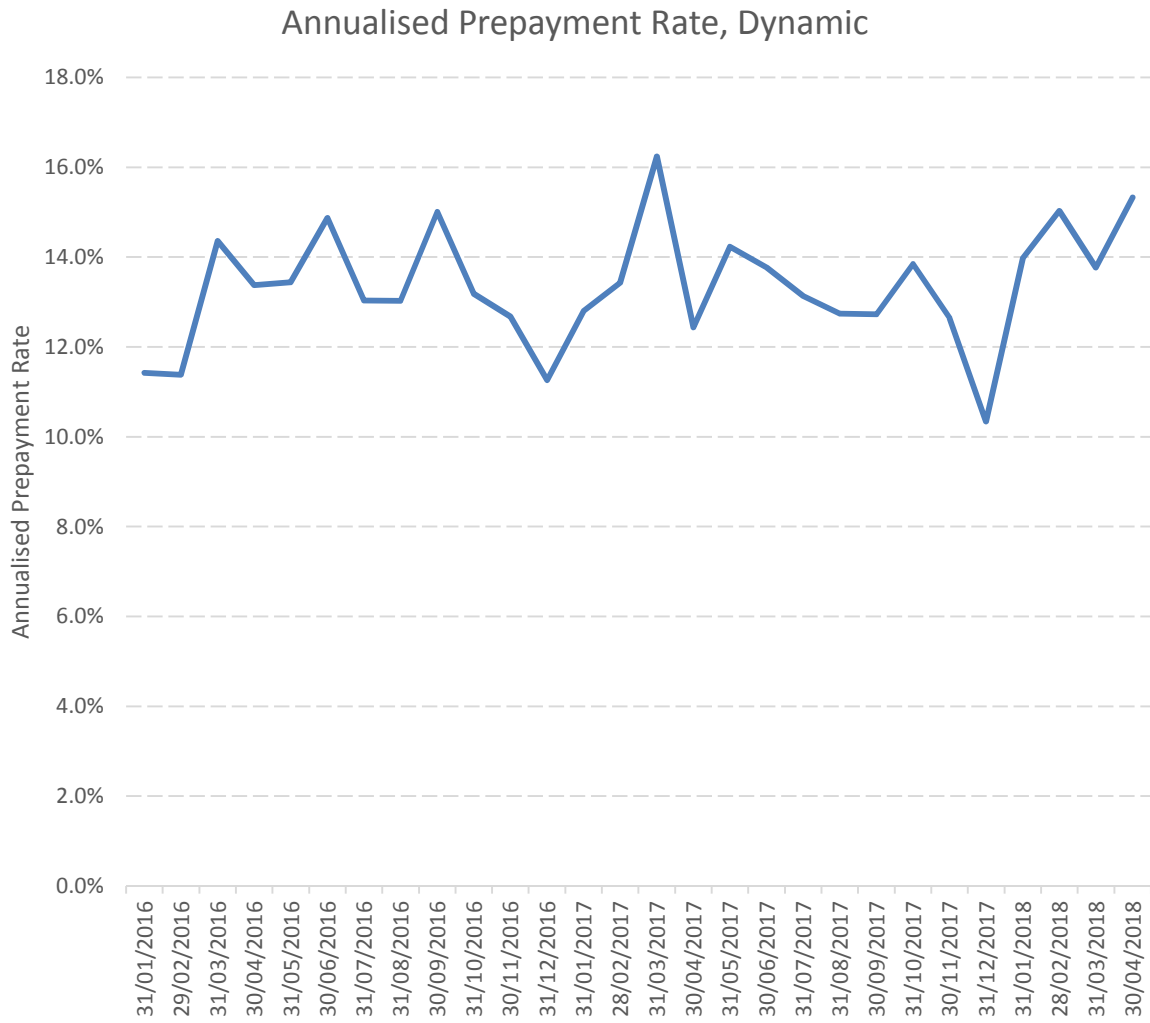
For a given month, the annual prepayment rate (APPR) is calculated from the monthly prepayment rate (MPPR) according to the following formula: $APPR = 1 - (1 - MPPR)^{12}$.

The monthly prepayment rate (MPPR) is calculated as the ratio of:

- i. the principal amounts prepaid during the month, to
- ii. the outstanding principal balance of all Receivables (Defaulted Receivables and Voluntarily Terminated Receivables excluded) at the end of the previous month.

Dynamic Prepayment Rate

Date	Performing	Principal	Annualised
30/11/2014	7,100	-	0.0%
31/12/2014	41,436	-	0.0%
31/01/2015	214,142	-	0.0%
28/02/2015	1,122,132	-	0.0%
31/03/2015	3,791,260	6,269	6.5%
30/04/2015	6,218,824	3,006	0.9%
31/05/2015	9,976,670	8,796	1.7%
30/06/2015	14,002,940	28,628	3.4%
31/07/2015	19,470,772	56,294	4.7%
31/08/2015	25,639,777	102,492	6.1%
30/09/2015	32,572,784	199,286	8.9%
31/10/2015	37,927,675	299,736	10.5%
30/11/2015	43,805,137	222,104	6.8%
31/12/2015	48,040,191	518,336	13.3%
31/01/2016	56,282,792	483,305	11.4%
29/02/2016	64,579,632	563,713	11.4%
31/03/2016	73,974,556	828,926	14.4%
30/04/2016	85,674,791	880,020	13.4%
31/05/2016	98,264,924	1,024,177	13.4%
30/06/2016	109,901,321	1,309,991	14.9%
31/07/2016	120,681,269	1,271,649	13.0%
31/08/2016	131,844,961	1,395,278	13.0%
30/09/2016	144,502,510	1,774,239	15.0%
31/10/2016	156,513,504	1,692,554	13.2%
30/11/2016	167,287,964	1,758,107	12.7%
31/12/2016	172,768,986	1,656,443	11.3%
31/01/2017	181,880,226	1,960,329	12.8%
28/02/2017	195,240,364	2,171,689	13.4%
31/03/2017	209,295,767	2,862,700	16.2%
30/04/2017	221,046,995	2,303,407	12.4%
31/05/2017	234,819,592	2,809,152	14.2%
30/06/2017	250,904,085	2,881,198	13.8%
31/07/2017	267,725,952	2,926,390	13.1%
31/08/2017	285,126,626	3,023,609	12.7%
30/09/2017	300,848,761	3,216,787	12.7%
31/10/2017	316,346,257	3,713,012	13.8%
30/11/2017	331,552,261	3,546,152	12.7%
31/12/2017	343,930,940	3,002,766	10.3%
31/01/2018	368,740,011	4,286,257	14.0%
28/02/2018	392,029,905	4,970,193	15.0%
31/03/2018	415,875,596	4,808,528	13.8%
30/04/2018	438,880,775	5,727,827	15.3%



Notes

Performing capital balance excludes any accounts in default or VT status.

Delinquencies

For a given month and a given delinquency bucket (e.g. 1 instalment delinquent), the delinquency rate is calculated as the ratio of:

- i. the outstanding principal balance of all delinquent receivables (in the same delinquency bucket) at the end of the month the month, to
- ii. the outstanding principal balance of all Receivables (Defaulted Receivables and Voluntarily Terminated Receivables excluded) at the end of the month.

Dynamic Delinquency Balances

Date	Arrears State >1, <=2 (£)	Arrears State >2, <=3 (£)	Arrears State >3, <4 (£)	Performing Total Capital Balance (£)
30/11/2014	-	-	-	7,100
31/12/2014	-	-	-	41,436
31/01/2015	-	-	-	214,142
28/02/2015	6,308	-	-	1,122,132
31/03/2015	6,246	-	-	3,791,260
30/04/2015	6,246	-	-	6,218,824
31/05/2015	6,246	-	-	9,976,670
30/06/2015	-	-	-	14,002,940
31/07/2015	23,593	-	-	19,470,772
31/08/2015	52,063	-	-	25,639,777
30/09/2015	122,868	13,000	-	32,572,784
31/10/2015	205,104	78,056	-	37,927,675
30/11/2015	234,436	95,674	-	43,805,137
31/12/2015	331,582	188,198	-	48,040,191
31/01/2016	582,245	183,504	13,528	56,282,792
29/02/2016	508,698	376,997	37,953	64,579,632
31/03/2016	654,328	345,029	78,240	73,974,556
30/04/2016	700,480	380,381	69,261	85,674,791
31/05/2016	805,121	340,988	68,297	98,264,924
30/06/2016	1,034,275	446,904	57,600	109,901,321
31/07/2016	1,173,414	520,057	58,630	120,681,269
31/08/2016	1,143,744	693,873	116,071	131,844,961
30/09/2016	1,169,173	817,721	85,382	144,502,510
31/10/2016	1,740,084	825,074	150,575	156,513,504
30/11/2016	1,820,169	1,128,779	201,016	167,287,964
31/12/2016	2,083,864	1,067,359	313,475	172,768,986
31/01/2017	2,284,062	1,247,073	280,993	181,880,226
28/02/2017	2,317,808	1,205,514	290,891	195,240,364
31/03/2017	2,608,111	1,508,366	261,979	209,295,767
30/04/2017	2,487,689	1,420,485	339,709	221,046,995
31/05/2017	3,182,267	1,631,771	354,007	234,819,592
30/06/2017	3,205,502	1,867,901	332,610	250,904,085
31/07/2017	3,520,733	1,666,469	395,408	267,725,952
31/08/2017	3,705,955	1,873,760	496,259	285,126,626
30/09/2017	3,482,927	1,847,548	471,176	300,848,761
31/10/2017	3,698,592	1,895,105	523,013	316,346,257

30/11/2017	3,702,901	1,819,600	441,132	331,552,261
31/12/2017	4,286,437	2,069,447	408,104	343,930,940
31/01/2018	5,319,777	2,429,808	561,659	368,740,011
28/02/2018	5,050,011	2,574,631	494,213	392,029,905
31/03/2018	4,956,123	2,730,044	463,730	415,875,596
30/04/2018	4,304,626	2,463,129	580,195	438,880,775

Notes

The total capital balance excludes any accounts in default or VT status.

Quarterly Origination Volume Amount

Quarter	Volume Originated (£)
Q4 2014	41,436
Q1 2015	3,787,963
Q2 2015	10,581,562
Q3 2015	19,709,171
Q4 2015	18,139,711
Q1 2016	30,591,561
Q2 2016	43,288,953
Q3 2016	45,465,971
Q4 2016	42,053,599
Q1 2017	55,444,452
Q2 2017	63,354,214
Q3 2017	75,890,570
Q4 2017	73,698,340
Q1 2018	111,582,806
Q2 2018*	38,747,076

* *Partial quarter*

Notes

Data as of 30 April 2018

Inferential statement of the Issuer

The Issuer states herewith that the securitised assets backing the issue have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes and the Residual Certificates. However, this is not a guarantee given by the Issuer and the Issuer as a special purpose entity has only limited resources available as described under the "*RISK FACTORS – Factors that may affect the Issuer's ability to fulfil its obligations under the Notes and the Residual Certificates – Structural and other credit risks – Limited resources of the Issuer*".

EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS

Weighted Average Life of the Notes

The weighted average life of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes refers to the average amount of time that will elapse from the Closing Date of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes to the date of distribution of amounts of principal to the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class X Noteholders.

The weighted average life of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes will be influenced by, amongst other things, the rate at which the Purchased Receivables are repaid or reduced, which may be in the form of scheduled amortisation, prepayments or defaults. The weighted average life of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes may also be influenced by factors like arrears.

The following table is prepared on the basis of certain assumptions, as described below:

- (a) the Cut-Off Date is 29 June 2018;
- (b) the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes are issued on the Closing Date of 12 July 2018;
- (c) the first Interest Payment Date will be 20 August 2018 and thereafter each following Interest Payment Date will be on the 20th calendar day of each month;
- (d) one-month LIBOR is 0.5% per annum and the margins per annum on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class X Notes are as follows:
 - (i) Class A Notes: 0.80%;
 - (ii) Class B Notes: 1.55%;
 - (iii) Class C Notes: 2.15%;
 - (iv) Class D Notes: 3.00%; and
 - (v) Class X Notes: 3.50%;
- (e) the Class E Interest Rate is 6.00% per annum;
- (f) Senior Expenses payable by the Issuer are equal to £145,000 per annum;
- (g) no amounts described in items (b) and (c) of the definition of Available Revenue Receipts are received by the Issuer;
- (h) the relative scheduled amortisation profile of the Purchased Receivables is as set out in the section "*PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA – Run Out Schedule*" above;
- (i) the Purchased Receivables are subject to a constant annual rate of principal prepayments as set out in the below table;
- (j) no Purchased Receivables are repurchased by the Seller from the Issuer in any situation other than as described in paragraph (k) below;

- (k) the Seller will exercise its right to exercise the Clean-Up Call at the earliest Interest Payment Date possible;
- (l) the initial amount of each Class of Notes is equal to the Aggregate Outstanding Note Principal Amount as set forth on the front cover of this Prospectus;
- (m) no delinquencies, defaults or voluntary terminations arise on the Purchased Receivables; and
- (n) no option to purchase fees, early repayment charges or other fees, expenses, charges or costs under the HP Agreements are included in determining the weighted average life of the Notes.

The approximate weighted average lives of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes, at various assumed rates of prepayment of the Purchased Receivables, would be as follows (with "CPR" being the constant prepayment rate):

Clean-Up Call: None

	Class A	Class B	Class C	Class D	Class E	Class X
CPR	WAL	WAL	WAL	WAL	WAL	WAL
0%	1.54	3.37	4.02	4.35	5.01	0.60
5%	1.37	3.19	3.87	4.23	4.87	0.61
10%	1.23	2.99	3.72	4.10	4.75	0.62
12%	1.18	2.92	3.66	4.05	4.69	0.62
15%	1.10	2.80	3.56	3.96	4.61	0.62
20%	0.99	2.60	3.39	3.80	4.48	0.63
25%	0.89	2.41	3.20	3.64	4.33	0.64
30%	0.81	2.22	3.01	3.47	4.18	0.65

Clean-Up Call: 10%

	Class A	Class B	Class C	Class D	Class E	Class X
CPR	WAL	WAL	WAL	WAL	WAL	WAL
0%	1.54	3.37	4.02	4.19	4.19	0.60
5%	1.37	3.19	3.87	4.02	4.02	0.61
10%	1.23	2.99	3.71	3.86	3.86	0.62
12%	1.18	2.92	3.66	3.86	3.86	0.62
15%	1.10	2.80	3.55	3.69	3.69	0.62
20%	0.99	2.60	3.38	3.53	3.53	0.63
25%	0.89	2.41	3.19	3.36	3.36	0.64
30%	0.81	2.22	3.00	3.19	3.19	0.65

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

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

THE ISSUER

1. INTRODUCTION

Azure Finance No. 1 plc (the "**Issuer**") was incorporated in England and Wales under the Companies Act 2006 on 1 May 2018 (registered number 11339072) as a public company with limited liability under the Companies Act 2006 (as amended). The Issuer was established as a special purpose vehicle for the purposes of issuing the Notes and the Residual Certificates. The registered office of the Issuer is 35 Great St. Helen's, London EC3A 6AP, telephone +44 (0)20 7398 6300. The issued share capital of the Issuer is 50,000 ordinary shares of £1, of which one share is fully paid and 49,999 shares are quarter-paid and all shares are held by Holdings. The Issuer is legally and beneficially owned and controlled directly by Holdings. The rights of Holdings as a shareholder in the Issuer are contained in the articles of association of the Issuer and the Issuer will be managed in accordance with those articles and with the provisions of Companies Act 2006, as amended. The Seller does not own directly or indirectly any of the share capital of Holdings or the Issuer. The Issuer has no subsidiaries.

2. PRINCIPAL ACTIVITIES

The Issuer is permitted, pursuant to the terms of its articles of association, *inter alia*, to issue the Notes and the Residual Certificates and to acquire the Purchased Receivables and the Ancillary Rights.

The Issuer has not engaged, since its incorporation, in any activities other than those incidental to its incorporation, the authorisation and issue of the Notes and the Residual Certificates and of the other documents and matters referred to or contemplated in this Prospectus to which it is or will be a party and matters which are incidental or ancillary to the foregoing.

There is no intention to accumulate surpluses in the Issuer (other than amounts standing to the credit of the Reserve Fund and the Issuer Profit Ledger).

The Issuer will covenant to observe certain restrictions on its activities which are set out in Condition 3 (*Covenants*) and the Residual Certificate Condition 3 (*Covenants*).

3. DIRECTORS AND COMPANY SECRETARY

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

Director	Business address	Principal activities outside the Issuer
Intertrust Directors 1 Limited	35 Great St. Helen's, London, EC3A 6AP	Corporate director
Intertrust Directors 2 Limited	35 Great St. Helen's, London, EC3A 6AP	Corporate director
Susan Abrahams	35 Great St. Helen's, London, EC3A 6AP	Director

The company secretary of the Issuer is Intertrust Corporate Services Limited.

As at the date hereof, the Issuer has no employees, non-executive directors or premises.

The Directors of Intertrust Directors 1 Limited and Intertrust Directors 2 Limited and their business addresses and principal activities are as follows:

Director	Business address	Principal activities
Susan Abrahams	35 Great St. Helen's,	Director

Neil Townson	London, EC3A 6AP 35 Great St. Helen's, Director London, EC3A 6AP
Claudia Wallace	35 Great St. Helen's, Director London, EC3A 6AP
Helena Whitaker	35 Great St. Helen's, Director London, EC3A 6AP

4. CAPITALISATION STATEMENT

The following table shows the capitalisation of the Issuer as at the date of this Prospectus:

Share capital

Issued:

50,000 ordinary shares of £1 each, 49,999 issued and paid up as to £0.25 and one issued fully paid share.

£12,500.75 paid.

The accounting reference date of the Issuer is 31 December.

The Notes and the Residual Certificates will be obligations of the Issuer only and will not be guaranteed by, or be the responsibility of BMFL or any other person or entity. It should be noted, in particular, that the Notes and the Residual Certificates will not be obligations of, and will not be guaranteed by the Transaction Parties, the Arranger, the Joint Lead Managers or any of their respective Affiliates.

HOLDINGS

1. INTRODUCTION

Azure Finance No. 1 Holdings Limited ("**Holdings**") was incorporated in England and Wales under the Companies Act 2006 on 1 May 2018 (registered number 11338899) as a private company with limited liability under the Companies Act 2006 (as amended). The registered office of Holdings is at 35 Great St. Helen's, London, EC3A 6AP, telephone +44 (0)20 7398 6300. The share capital of Holdings is one ordinary share of £1 which is issued and is credited as fully paid. The entire issued share capital of Holdings is held on trust for discretionary purposes by Intertrust Corporate Services Limited under the terms of a declaration of trust dated 3 May 2018.

2. PRINCIPAL ACTIVITIES OF HOLDINGS

Pursuant to the terms of its articles of association, Holdings is permitted, *inter alia*, to hold shares in the Issuer. Holdings has not engaged, since its incorporation, in any activities other than those incidental to its incorporation and those matters referred to or contemplated in this Prospectus and any matters which are incidental or ancillary to the foregoing.

3. DIRECTORS AND COMPANY SECRETARY OF HOLDINGS

The directors of Holdings and their respective business addresses and other principal activities are:

Director	Business address	Principal activities outside the Issuer
Intertrust Directors 1 Limited	35 Great St. Helen's, London, EC3A 6AP	Corporate director
Intertrust Directors 2 Limited	35 Great St. Helen's, London, EC3A 6AP	Corporate director
Susan Abrahams	35 Great St. Helen's, London, EC3A 6AP	Director

The company secretary of Holdings is Intertrust Corporate Services Limited.

As at the date hereof, Holdings has no employees, non-executive directors or premises.

The Directors of Intertrust Directors 1 Limited and Intertrust Directors 2 Limited and their business addresses and principal activities are as follows:

Director	Business address	Principal activities
Susan Abrahams	35 Great St. Helen's, London, EC3A 6AP	Director
Neil Townson	35 Great St. Helen's, London, EC3A 6AP	Director
Claudia Wallace	35 Great St. Helen's, London, EC3A 6AP	Director
Helena Whitaker	35 Great St. Helen's, London, EC3A 6AP	Director

THE SELLER AND THE SERVICER

Corporate information and business operations

Blue Motor Finance Limited ("**BMFL**", the "**Seller**" and the "**Servicer**") is a private limited company incorporated and registered in England and Wales under company number 02738187 whose registered office is at Darenth House, 84 Main Road, Sundridge, Kent, TN14 6ER.

The Seller was originally incorporated in 1992 as Packexcess Limited. The company came under the control of the current directors and senior management in July 2012, changing its name to Blue Motor Finance Limited in July 2014.

Based just outside London in Kent, BMFL provides point of sale financing to customers on a hire purchase basis for the acquisition of motor vehicles.

BMFL currently has a sales team covering the UK. The sales team services a network of Introducers (defined below) ranging from small independent dealerships and brokers to large multi-franchised dealerships. BMFL aims to originate a balanced portfolio of customers throughout Great Britain and continues to expand the number of dealers it works with. Further information on BMFL's distribution strategy is set out below.

As of 31 May 2018 BMFL was servicing a loan book of £480m, with 65,000 individuals, an average loan size of £8,800 and a weighted average contractual loan term of 57 months.

All HP agreements have been entered into by the Seller in the name of Blue Motor Finance Limited which is registered with the Financial Conduct Authority (FCA number 737682).

Finance product description

BMFL provides credit to retail consumers for the purchase of motor vehicles (cars, motorbikes and light commercial vehicles) in the form of a hire purchase agreement. Hire purchase is a method of financing whereby BMFL and a customer enter into an agreement under which the customer makes monthly payments to BMFL for its use of the Vehicle over a certain period of time. By paying certain administrative fees, the customer can gain ownership of the Vehicle at the end of the contract period. The Vehicles which are the subject of the HP agreement are mainly used vehicles, with identifiable values from CAP or Glass's guide.

All HP agreements are fully amortising and do not include any guaranteed future values. BMFL does not write any PCP loans.

Points of Sale

BMFL has three routes to market:

1. major national dealers;
2. major brokers; and
3. smaller, regional dealers.

The main sales channel for BMFL is a network of smaller, regional dealers, which is serviced by BMFL's Area Sales Managers.

Customers seeking credit to finance a vehicle are introduced to BMFL through (i) Dealers, or (ii) brokers (each an "**Introducer**"). The Introducer will submit an application through BMFL's online system. The application will first be assessed by BMFL's Credit Decision Engine. Please see the section entitled "*Underwriting*" below for further details regarding the application procedures.

Where an application for financing is accepted, BMFL and the customer will enter into an HP agreement. BMFL will pay the "Balance to Finance" (cash price of Vehicle less any deposit or part exchange) of the Vehicle and a commission to the relevant Introducer.

BMFL does not offer any guaranteed asset protection, return to invoice or payment protection insurance.

The HP agreements

Pursuant to each HP agreement, the customer is required to pay monies to BMFL (as Seller). BMFL's rights to receive these monies pursuant to the HP agreements comprise the Receivables being sold to the Issuer pursuant to the Receivables Sale and Purchase Agreement.

The Issuer's assets arising from or in connection with the Purchased Receivables will include:

- the Purchased Receivables, and Collections on the Purchased Receivables received on and after the Cut-Off Date; and
- Ancillary Rights in relation to the Purchased Receivables.

The Vehicles will not be transferred by BMFL to the Issuer, but will be held on trust pursuant to the Vehicle Declaration of Trust. Any proceeds derived from (including by way of sale or otherwise) any Vehicle returned to or recovered by or on behalf of BMFL will be paid to the Issuer.

Auto receivables

General

The Receivables arise under fixed rate agreements. BMFL offer two main types of HP agreement. One type includes a credit acceptance fee charged in two parts at the start and the end of the agreement, the other does not. If the HP agreement includes fees, the customer's first monthly payment will be a fee. In either case the agreement consists of equal monthly instalments with the exception of the final payment. The final contractual payment includes an option to purchase fee, and credit acceptance fee as applicable, and is typically approximately £160 greater than other monthly instalments.

Payment of Interest

Each instalment payment generally consists of an interest portion and a principal portion.

If the customer makes an instalment payment after its scheduled due date, BMFL has the right under the relevant HP agreement to charge the customer late payment interest. BMFL does not currently charge late payment interest.

The customer may repay the amount due pursuant to the HP agreement early, in whole or in part, in accordance with the formulae for full and partial early settlements contained in the CCA and applicable secondary legislation.

Residual value risk

All HP agreements are fully amortising. There is no contractual residual value risk arising (other than in respect of Defaulted Receivables and Voluntarily Terminated Receivables).

Origination

The HP agreements are originated through BMFL's network of selected Introducers. The majority of HP agreements come directly from Dealers with a portion received via brokers.

BMFL enters into formal written agreements with each Introducer before the Introducer is permitted to offer BMFL's financing products. Each Introducer completes a declaration (a "**Declaration**") in relation to each HP agreement. The Declaration imposes obligations on the Introducer, including, without limitation, the requirement to provide the customer with an adequate explanation of the HP agreement and to verify the signing of the HP agreement by the customer. Additional identification checks are carried out to confirm the customer's identity. This is typically in the form of a pre-authorisation on a bank card linking the name and address on the application payment. The Declaration also contains the form and content of the HP agreements which are to be used by the Introducer in its dealings with the relevant customer.

Introducers are responsible for the preparation and submission of a customer's application onto the BMFL application system. If the application is accepted, a paperless electronic process is used for the majority of HP agreements ("**E-Sign**").

For those applicants who do not use E-sign, a paper-based credit agreement and supporting documentation is provided to and reviewed and executed by the relevant customer.

Underwriting

BMFL manages risk according to four pillars:

- Introducer risk – onboarding and on-going management of the Dealers and brokers who introduce business to BMFL;
- credit and affordability risk;
- fraud risk; and
- regulatory and compliance risk.

Introducer risk

There is a dedicated team within BMFL which is responsible for setup and management of Introducers: ensuring that the Dealers and brokers that introduce business to BMFL meet certain standards, including checking FCA permissions, undertaking credit checks and reviewing the business and the people involved. This team is also responsible for monitoring the ongoing performance of Introducers. The BMFL sales manager undertakes an initial review of the prospective Introducer and completes a pack of information for the dealer setup team to review and sign off. If the dealer setup team approves the prospective Introducer, it passes the information pack to the compliance and underwriting teams for final review and sign off from each department. These checks are designed to ensure that Introducer is reputable and financially stable. The core components of the review are:

- site visit and stock review;
- electronic checks with 2 separate credit bureaux;
- stable and verifiable trading history; and
- all relevant regulatory permissions obtained.

After an Introducer is approved, the initial proposals from that Introducer are subject to enhanced review by a senior underwriter. These loans cannot be funded until these checks have been

satisfactorily completed. The dealer then moves onto a standard monitoring programme with focus on complaints and default performance. This consists of an annual review of Introducers, including a check of regulatory status and permissions and other key performance indicators for unusual behaviour (for example, unusually high or low volumes of proposals, and efficiency in management of proposals).

Credit underwriting

BMFL originates Receivables to Obligors which it categorises from "prime" to "near prime", and which are allocated to a risk tier ranging from Risk Tier 1 to Risk Tier 8. BMFL's underwriting process has been designed to be consistent across time. The approach is based on an industry standard scorecard Risk Navigator from Equifax. In addition to this BMFL enhances the credit decision process with further checks including BMFL's own internal scorecard, policy rules, affordability scorecard, fraud and asset checks. The customer must pass all steps in this process in order for their application for finance to be accepted by BMFL. For example, if the customer passes the Equifax scorecard but fails a policy rule, they will be declined. Similarly if the customer does not pass the Equifax scorecard they will be declined, regardless of how well they might score in other sections of the credit decision process. The credit rules play a key role in respect of the higher risk tiers.

The credit rules do not allow for lending to customers with County Court Judgments ("**CCJs**") unless:

- the CCJ was issued more than three years prior to origination of the HP Agreement;
- the CCJ was issued more than 12 months prior to origination of the HP Agreement, was for less than £1,000 and the customer had shown financial stability and has been a responsible debtor since then; or
- the CCJ was for less than £150 and the customer had shown financial stability and has been a responsible debtor since then.

Credit applications are submitted electronically to BMFL. The applicant's personal details are provided to allow BMFL to assess the creditworthiness of the applicant. The personal details requested include name, address, date of birth, contact telephone numbers, email address, employment history and income.

A credit search and voter's roll enquiry is mandatory on all private individuals. In addition, the applicant must provide an address history for the previous three years, and this history must be verifiable.

Once an application is received a unique application ID is assigned to it. All applications are screened against BMFL's "Credit Decision Engine". An application may be accepted, declined or "referred". If an application is "referred" it will be reviewed by an underwriter who will determine whether further information is required to support a particular application, for example, proof of current address or proof of income. Where such additional information is required, the application will only be taken forward once the relevant information is received and deemed acceptable to BMFL (at its discretion).

Underwriters have a credit authority limit depending on experience.

Fraud Detection

As part of the decision-making process, all applications are screened against third party fraud detection databases. BMFL's Decision Engine has also been enhanced to screen for politically exposed persons and the international sanctions list.

BMFL is a member of CIFAS (the United Kingdom's fraud prevention service) and the National Vehicle Crime Intelligence Service ("**NaVCIS**") (a nationwide multi-agency police operation established as part of an initiative to prevent stolen vehicles being exported through UK ports). CIFAS operates two databases: the 'National Fraud Database' and the 'Staff Fraud Database'. All loan applications are

screened through the CIFAS National Fraud Database. All new staff recruited to BMFL are screened through the Staff Fraud Database.

If an application triggers a fraud or sanctions check, it is referred to BMFL's compliance team for enhanced checks. If the enhanced checks are satisfied, the application is assessed in the usual way.

Servicing and Collections

General

BMFL will act as Servicer of the Purchased Receivables for the securitisation transaction. All duties carried out by the Servicer will be undertaken using at least the same standard of care that BMFL would exercise if it were administering Receivables in respect of which it held the entire benefit. BMFL's servicing and collections systems maintain records for all Receivables, applications of payments, relevant information on customers and account status.

Arrears Collections Procedure

All HP agreements are set up with automated regular payments via Direct Debit. At application a BACS modulus check is performed on the sort code and account number and a Direct Debit mandate is included with the initial loan documentation. It is a condition of the HP agreement that the customer pays for their loan via Direct Debit.

BMFL's 'Collections Team', consisting of specialised collection management experts, deals with loans where the regular payment schedule has broken down. This breakdown may be the result of any number of reasons, from simple administrative problems to genuine financial difficulty. Cases that require collections activity are flagged to the Collections Team via BMFL's Collection Management System.

BMFL uses a standard arrears collections procedure, which all employees must follow when engaging with customers in arrears, including those who are experiencing a degree of financial stress. The procedure is designed to ensure all customers are treated fairly and that solutions are aligned to the customer's circumstances. BMFL aims to maintain regular contact with customers without harassing or intimidating them.

The first stage of BMFL's collections procedures is to make contact with the customer and understand the issue. Where possible the Collections Team will resolve the issue by collecting the missing payment.

BMFL does not reschedule or "re-age" contractual payment schedules of HP agreements.

Termination of the HP agreements by the Servicer

Where little or no progress is being made to resolve a default by a customer, BMFL will seek to escalate the collections activity in line with the Credit and Collections Procedures. Customers who fall two or more payments in arrears will be issued with a formal notice of default.

If BMFL is having problems making contact with the customer, a third party may be used to make contact. Contact includes both telephone and home visits.

If the default is not satisfied within the required time period set out in the Credit and Collections Procedures, a notice of termination will be issued by BMFL. Once the HP agreement has been terminated and assuming it is financially viable to do so, BMFL will instruct a third party recovery agent to recover the vehicle.

BMFL uses external agents to help trace customers that cannot be contacted, and or to recover vehicles on its behalf. The relationships are monitored on a regular basis to ensure the methods undertaken are in line with BMFL's policies.

Prepayment Management

Under the terms of the HP agreement and as set out in the CCA, a customer has the right to settle the HP agreement early by paying a settlement amount in accordance with the CCA. These 'Early Settlements' are handled by BMFL's customer services team as a matter of daily business.

Under the Early Settlement Regulations, the relevant customer also has the right to make one or more partial settlements or unscheduled payments during the life of the HP agreement to reduce their outstanding debt. These activities are also handled by BMFL's customer services team. Following a partial settlement the customer has the option to reduce the term of their loan or to reduce their monthly instalment. The Account Management system calculates the revised term or instalment and recalculates the future cash flows accordingly.

Voluntary Termination by a customer

Voluntary Termination is available to a customer if the Servicer has not terminated the HP agreement.

If BMFL terminates an HP agreement, the customer no longer has the right to voluntarily terminate as the agreement has already ended. They can, however, voluntarily surrender after BMFL has terminated the agreement, by returning the vehicle in partial or full and final settlement of their liability.

When a customer voluntarily terminates an agreement, they remain liable to pay half of the total amount payable under the HP agreement and all arrears of payments due and damages incurred for any other breach of the HP agreement by the customer prior to such termination. If the customer has not paid such amounts at the time of termination, the customer should make arrangements to satisfy their remaining liability. Accounts with a shortfall balance are managed by BMFL's Special Services team who focus on collecting the remaining balance.

When a customer voluntarily terminates an agreement, they must also return the Vehicle in a satisfactory condition and BMFL will dispose of the relevant Vehicle as described in the "*Disposals*" section below. The proceeds from the sale of the Vehicle do not change the amounts owed by the customer detailed in the paragraph above but instead will be applied towards the remaining total amount due under the HP agreement. Any shortfall thereafter will be written off (and any surplus will be for the benefit of BMFL).

The customer must give notice in writing of their wish to voluntarily terminate. BMFL will accept such notification by letter, fax or email.

Repossession and Disposals

Repossessions

Repossession of the Vehicle takes place only when all other efforts to recover the debt have been exhausted.

In relation to Regulated HP agreements, where a customer has paid over a third on their account, the related Vehicle becomes "protected goods" and cannot be repossessed without a court order. (For further information, please see "*RISK FACTORS – LEGAL RISKS – HP Agreements regulated by the Consumer Credit Act 1974 (as amended) – Protected goods*" above.) In determining whether to undertake legal action, BMFL will consider the value of the Vehicle and the potential costs of pursuing the claim in court.

Disposals

There are four potential scenarios where assets may be recovered:

- repossession of vehicles where one-third of the total purchase price has not been paid by the customer ("unprotected goods");

- repossession of vehicles following a return of goods, or a court order where one-third of the total purchase price has been paid by the customer ("protected goods");
- voluntary termination by the customer, following exercise of the right of termination under Section 99 of the CCA; and
- voluntary surrender of the Vehicle by the customer.

The Vehicle may be returned by the customer to a mutually convenient geographical location; however, in most cases, an approved third party field agent will be instructed to inspect and thereafter recover the Vehicle, together with supporting duplicate keys and documentation, directly from the customer.

Following collection, the Vehicle is transferred to an approved geographically convenient auction house where it is prepared for a sale at auction. BMFL only disposes of vehicles through public auctions. The customer remains liable for all reasonable costs of recovery, together with any legal shortfall arising following disposal.

THE NOTE TRUSTEE AND SECURITY TRUSTEE

No later than the Closing Date the Issuer will appoint Citicorp Trustee Company Limited as the Note Trustee and the Security Trustee.

Citicorp Trustee Company Limited, whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, will act as Note Trustee and Security Trustee in favour of the Secured Creditors in relation to the Notes and the Residual Certificates.

Citicorp Trustee Company Limited was incorporated on 24 December 1928 under the laws of England and Wales and has its registered office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, with a company number 235914.

Citicorp Trustee Company Limited is an indirect wholly-owned subsidiary of Citigroup Inc., a diversified global financial services holding company incorporated in Delaware.

Citicorp Trustee Company Limited is regulated by the UK's Financial Conduct Authority.

The information in the preceding four paragraphs has been provided by Citicorp Trustee Company Limited for use in this Prospectus and Citicorp Trustee Company Limited is solely responsible for the accuracy of the preceding four paragraphs, provided that, with respect to any information included herein and specified to be sourced from Citicorp Trustee Company Limited (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the above information available to it from Citicorp Trustee Company Limited, no facts have been omitted, the omission would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy hereof. Except for the foregoing four paragraphs, Citicorp Trustee Company Limited, in its capacity as Note Trustee and as Security Trustee and its affiliates have not been involved in the preparation of and does not accept responsibility for, this Prospectus.

THE CAP PROVIDER

For the purposes of the Transaction, the Issuer has appointed J.P. Morgan AG as Cap Provider.

The delivery of this Prospectus does not imply that there has been no change in the affairs of J.P. Morgan AG since the date hereof or that the information contained or referred to herein is correct as at any time subsequent to its date.

J.P. Morgan AG is incorporated in Germany and is an indirect wholly owned subsidiary of JPMorgan Chase & Co. J.P. Morgan AG has a full banking licence pursuant to Section 1 (1) of the Kreditwesengesetz (German Banking Act) (Nos. 1 to 5 and 7 to 9) and conducts banking business with institutional clients, banks, corporate clients and clients from the public sector.

J.P. Morgan AG does not have securities admitted to trading on a regulated market or an equivalent market.

The business address of J.P. Morgan AG is Taunusturm, Taunustor 1, 60310, Frankfurt am Main, Germany.

The information in the preceding three paragraphs regarding the Cap Provider has been provided by J.P. Morgan AG, and J.P. Morgan AG is solely responsible for the accuracy of the preceding three paragraphs, provided that, with respect to any information included herein and specified to be sourced from the Cap Provider (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the above information available to it from the Cap Provider, no facts have been omitted, the omission would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy hereof. Except for the preceding three paragraphs, J.P. Morgan AG in its capacity as Cap Provider, and its affiliates have not been involved in the preparation of, and does not accept responsibility for, this Prospectus.

THE CORPORATE SERVICES PROVIDER

Pursuant to the Corporate Services Agreement, the Issuer and Holdings have appointed Intertrust Management Limited as corporate services provider (the "**Corporate Services Provider**") to provide management, secretarial and administrative services to each of them, including the provision of directors. It is not in any manner associated with the Issuer, Holdings or with BMFL.

Intertrust Management Limited has served and is currently serving as corporate services provider for numerous securitisation transactions and programmes.

The information in the preceding paragraph has been provided by Intertrust Management Limited for use in this Prospectus and Intertrust Management Limited is solely responsible for the accuracy of the preceding paragraph, provided that, with respect to any information included herein and specified to be sourced from the Corporate Services Provider (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the above information available to it from the Corporate Services Provider, no facts have been omitted, the omission would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy hereof. Except for the preceding paragraph, Intertrust Management Limited in its capacity as Corporate Services Provider, and its affiliates have not been involved in the preparation of, and does not accept responsibility for, this Prospectus.

**THE ACCOUNT BANK, CASH MANAGER, INTEREST DETERMINATION AGENT, REGISTRAR
AND PAYING AGENT**

No later than the Closing Date, the Issuer will appoint Citibank, N.A., London Branch as Account Bank, Cash Manager, Interest Determination Agent, Registrar and Paying Agent. See "*OVERVIEW OF THE PRINCIPAL DOCUMENTS — Bank Account Agreement*", "*OVERVIEW OF THE PRINCIPAL DOCUMENTS — Cash Management Agreement*" and "*OVERVIEW OF THE PRINCIPAL DOCUMENTS — Agency Agreement*".

Citibank, N.A. is a national association formed through its articles of association, obtained its charter, 1461, July 17, 1865, and governed by the laws of the United States and having its principal business office at 388 Greenwich Street, New York, NY 10013, USA and having in Great Britain a principal branch office situated at Canada Square, Canary Wharf, London E14 5LB with a foreign company number FC001835 and branch number BR001018.

The London Branch is authorised and regulated by the Office of the Comptroller of the Currency (USA) and authorised by the Prudential Regulation Authority. It is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority.

The information in the preceding two paragraphs has been provided by Citibank, N.A. for use in this Prospectus and Citibank, N.A. is solely responsible for the accuracy of the preceding two paragraphs, provided that, with respect to any information included herein and specified to be sourced from Citibank, N.A. (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the above information available to it from Citibank, N.A. no facts have been omitted, the omission would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy hereof. Except for the preceding two paragraphs, Citibank, N.A., in its capacity as Account Bank, Cash Manager, Interest Determination Agent, and Paying Agent has not been involved in the preparation of and do not accept responsibility for, this Prospectus.

TAXATION

The following information is a general discussion of certain tax consequences of the acquisition, ownership and disposal of Notes and the Residual Certificates. This discussion is not a comprehensive description of all tax considerations which may be relevant to a decision to purchase, hold or dispose of Notes or the Residual Certificates. It does not purport to be a complete analysis of all tax considerations relating to the Notes and the Residual Certificates. This discussion does not consider any specific facts or circumstances that may apply to a particular holder or prospective holder. This overview is based on the laws of England and Wales currently in force and as applied at the date of this Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

The following information is not intended as tax or legal advice and the comments below are of a general nature only. It should be read in conjunction with the section entitled "*RISK FACTORS*". Potential investors in the Notes or the Residual Certificates are urged to satisfy themselves as to the overall tax consequences of purchasing, holding and/or selling the Notes or the Residual Certificates and, therefore, to consult their professional tax advisors.

Withholding tax on the Notes

Interest on the Notes will be payable without withholding or deduction for or on account of United Kingdom income tax provided that the Notes are and remain listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 or the "Income Tax Act". Euronext Dublin is currently so recognised and provided that the Notes are and remain listed and admitted to trading on the main market of Euronext Dublin and Euronext Dublin continues to be a "recognised stock exchange" for the purposes of section 1005 of the Income Tax Act, the interest on the Notes will be payable without withholding or deduction for or on account of United Kingdom income tax.

If the Notes cease to be listed on a "recognised stock exchange", an amount must be withheld for or on account of United Kingdom income tax at the basic rate, currently 20%, from interest paid on them, subject to (i) any direction to the contrary from HM Revenue and Customs in respect of such relief as may be available pursuant to the provisions of an applicable double taxation treaty, or (ii) certain other exceptions including the interest being paid to the persons (including companies within the charge to United Kingdom corporation tax) and in the circumstances specified in sections 930 to 938 of the Income Tax Act and, potentially, under the Qualifying Private Placement Regulations 2015.

Withholding tax on the Residual Certificates

Amounts payable in respect of the Residual Certificates will be payable without withholding or deduction for or on account of United Kingdom income tax.

As the Residual Certificates do not constitute a debt, payments made in respect of the Residual Certificates will not be payments of interest. The Taxation of Securitisation Companies (Amendment) Regulations 2018 remove the obligation for a securitisation company to apply withholding tax to payments it makes which are "annual payments". This covers residual payments made under the Residual Certificates.

U.S. Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes.

A number of jurisdictions (including the United Kingdom) have entered into, or agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of the IGAs as currently in

effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes and the Residual Certificates, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes and the Residual Certificates, such withholding would not apply prior to 1 January 2019 and Notes and the Residual Certificates characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for the purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes and the Residual Certificates, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

SUBSCRIPTION OF THE NOTES

The Joint Lead Managers, the Issuer and the Seller are parties to the Subscription Agreement. Pursuant to the Subscription Agreement, the Joint Lead Managers have agreed, subject to certain conditions, to subscribe, or to procure subscriptions, for the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class X Notes and will distribute the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class X Notes to potential investors. The Seller will purchase the Class E Notes from the Issuer.

The Joint Lead Managers have agreed, subject to certain conditions, to use reasonable endeavours to procure investors for the Residual Certificates.

The Seller has agreed to pay each Joint Lead Managers a placement commission on the Notes and the Residual Certificates, as agreed between the parties to the Subscription Agreement. The Seller has further agreed to reimburse each of the Joint Lead Managers for certain of its expenses in connection with the issue of the Notes and the Residual Certificates.

Pursuant to the Subscription Agreement, the Seller and the Issuer have agreed to indemnify the Joint Lead Managers as more specifically described in the Subscription Agreement, for and against certain Losses and liabilities in connection with certain representations in respect of, *inter alia*, the accurateness of certain information contained in this Prospectus.

In the Subscription Agreement, the Issuer has made certain representations and warranties in respect of its legal and financial matters.

SELLING RESTRICTIONS

General

All applicable laws and regulations must be observed in any jurisdiction in which the Notes and the Residual Certificates may be offered, sold or delivered. The Joint Lead Managers have agreed that they will not, directly or indirectly, offer, sell or deliver any of the Notes or the Residual Certificates or distribute this Prospectus, the Preliminary Prospectus or any other offering material relating to the Notes or the Residual Certificates, in or from any jurisdiction except under circumstances that will result in compliance with the applicable laws and regulations of such jurisdiction, to the best of the Joint Lead Managers' knowledge and belief, and that it will not impose any obligations on the Issuer except as set out in the Subscription Agreement.

Except with the prior consent of the Seller and where such sale falls within the exemption provided by Section 20 of the U.S. Risk Retention Rules the Notes and the Residual Certificates sold as part of the initial distribution of the Notes or the Residual Certificates may not be purchased by, or for the account or benefit of, any person except for persons that are not Risk Retention U.S. Persons. Prospective investors should note that, although the definition of "U.S. person" in the U.S. Risk Retention Rules is similar to the definition of "U.S. person" in Regulation S, the definitions are not identical and that persons who are not "U.S. Persons" under Regulation S may be "U.S. Persons" under the U.S. Risk Retention Rules. Each purchaser of Notes or the Residual Certificates, including beneficial interests therein, will, by its acquisition of a Note or Residual Certificate or beneficial interest therein, be deemed, and in certain circumstances (including as a condition to placing an order relating to the Notes or Residual Certificates), will be required, to have made certain representations and agreements, including that it (1) is not a Risk Retention U.S. Person (or, if it is a U.S. Risk Retention Person, it has obtained a U.S. Risk Retention Waiver from the Seller); (2) is acquiring such Note or Residual Certificate or a beneficial interest therein for its own account and not with a view to distribute such Note or Residual Certificate; and (3) is not acquiring such Note or Residual Certificate or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules.

The Seller, the Issuer, the Arranger and the Joint Lead Managers have agreed that the determination of the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in the U.S. Risk Retention Rules is solely the responsibility of the Seller, and none of the Joint Lead Managers or any person who controls such person or any director, officer, employee, agent or Affiliate of such person shall have any responsibility for determining the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in the U.S. Risk Retention Rules, and none of the Joint Lead Managers or any person who controls it or any director, officer, employee, agent or Affiliate of such person accepts any liability or responsibility whatsoever for any such determination or characterisation. Prospective investors should consult their own advisors as to the U.S. Risk Retention Rules.

United States of America and its Territories

The Notes and the Residual Certificates have not been and will not be registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered, or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and under circumstances which would not require the Issuer to register under the Investment Company Act. In connection with the initial distribution of the securities offered hereby, the Notes and Residual Certificates will be offered and sold only outside the United States to persons who are not U.S. Persons. There has been and will be no public offering of the Notes or Residual Certificates in the United States.

Each of the Joint Lead Managers represents and agrees that it has not offered or sold the Notes or the Residual Certificates, and will not offer or sell the Notes or the Residual Certificates (i) as part of its distribution at any time or (ii) otherwise until forty (40) calendar days after the later of (a) the date the Notes and the Residual Certificates are first offered to Persons other than distributors in reliance on Regulation S and (b) the Closing Date, except, in either case, only in accordance with Rule 903 of Regulation S under the Securities Act. Neither the Joint Lead Managers nor their respective affiliates nor any persons acting on their behalf have engaged or will engage in any directed selling efforts with respect to the Notes or the Residual Certificates, and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act. At or prior to confirmation of sale of Notes and the Residual Certificates, the Joint Lead Managers will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes or Residual Certificates from them during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until forty (40) calendar days after the later of (a) the date the Notes and the Residual Certificates are first offered to persons other than distributors in reliance on Regulation S and (b) the Closing Date, except in either case, in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them in Regulation S under the Securities Act".

Terms used in this section have the meaning given to them in Regulation S under the Securities Act.

United Kingdom

Each of the Joint Lead Managers has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received

by it in connection with the issue or sale of any Notes and the Residual Certificates in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes and the Residual Certificates in, from or otherwise involving the United Kingdom.

Ireland

Each Joint Lead Manager has represented, warranted and agreed that any offer, sale, placement or underwriting of, or any other action in connection with, the Notes in or involving Ireland must be in conformity with the following:

- (a) the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 and the Prospectus (Directive 2003/71/EC) (Amendment) Regulations 2012 of Ireland, the provisions of the Companies Acts 1963 to 2012 of Ireland, including any rules issued under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland (as amended) by the Central Bank of Ireland and the Central Bank Acts 1942 to 2011 of Ireland (as amended) and any codes of conduct made under Section 117(1) thereof;
- (b) the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 of Ireland (as amended) and any rules made by the Central Bank of Ireland pursuant thereto, including any rules issued under Section 34 of the Investments Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland; and
- (c) the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended) including, without limitation, Regulations 7 and 152 thereof and any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998.

Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any notes to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II, and
- (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes and the Residual Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the Residual Certificates.

General

Each of the Joint Lead Managers has undertaken that it will not, directly or indirectly, offer or sell any Notes or the Residual Certificates or have in its possession, distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in respect of the Notes or the Residual Certificates in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations, and all offers and sales of Notes and the Residual Certificates by it will be made on the same terms.

USE OF PROCEEDS

The net proceeds of the issue of the Collateralised Notes are expected to amount to GBP 365,000,000 and will be used by the Issuer to fund the Principal Element Purchase Price in respect of the Portfolio to be acquired from the Seller on the Closing Date.

The net proceeds of issue of the X Notes and the Residual Certificates will be used by the Issuer to:

- (a) pay for the Premium Element Purchase Price in respect of the Portfolio to be acquired from the Seller on the Closing Date;
- (b) establish the Reserve Fund through the retention of the Reserve Fund Required Amount (in respect of part of the proceeds of the Class X Notes); and
- (c) retain certain amounts and pay certain estimated fees and expenses (including the Cap Premium payable under the Cap Agreement) of the Issuer incurred in connection with the issue of the Notes and the Residual Certificates on the Closing Date (in respect of part of the proceeds of the Class X Notes and the Residual Certificates).

GENERAL INFORMATION

1. Subject of this Prospectus

This Prospectus relates to GBP 405,200,000 aggregate principal amount of the Notes and the Residual Certificates issued by Azure Finance No. 1 plc, 35 Great St. Helen's, London EC3A 6AP.

2. Authorisation

The issue of the Notes and the Residual Certificates was authorised by a resolution of the board of directors of Azure Finance No. 1 plc, passed on 6 July 2018.

3. Litigation

Neither the Issuer is, or has been since its incorporation, nor the Seller is, or – during the period covering at least the previous 12 months – has been, engaged in any governmental, legal or arbitration proceedings which may have or have had during such period a significant effect on their respective financial position or profitability, and, as far as the Issuer and the Seller are aware, no such governmental, legal or arbitration proceedings are pending or threatened, respectively.

4. Payment information and post-issuance information

The Issuer does not intend to provide any post-issuance transaction information regarding the Notes or the Residual Certificates to be admitted to trading on the regulated market of Euronext Dublin and the performance of the underlying Purchased Receivables, except if required by any applicable laws and regulations.

For as long as the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes are listed on the official list and are admitted to trading on the regulated market of Euronext Dublin, the Issuer will inform Euronext Dublin of the Class A Interest Amounts, the Class B Interest Amounts, the Class C Interest Amounts, the Class D Interest Amounts, the Class E Interest Amounts, the Class X Interest Amounts, the Interest Periods, the Class A Interest Rates, the Class B Interest Rates, the Class C Interest Rates, the Class D Interest Rates, the Class E Interest Rates and the Class X Interest Rates and, if relevant, the payments of principal on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes, in each case in the manner described in the Conditions.

Payments and transfers of the Notes and the Residual Certificates will be settled through Clearstream, Luxembourg and Euroclear, as described herein. The Notes and the Residual Certificates have been accepted for clearing by Clearstream, Luxembourg and Euroclear.

The Seller, in its role as Servicer, will, on behalf of the Issuer, for as long as the Class A Notes or (if possible in accordance with the Bank of England eligibility criteria in force from time to time) any other Class of Notes otherwise satisfy the Bank of England eligibility criteria, make loan level data available in such a manner as required to comply with the Bank of England eligibility criteria and transparency criteria for asset backed securities (as set out in the Detailed Information Transparency for Asset-Backed Securities for Auto-loan ABS of 17 December 2012 as amended and applicable from time to time).

5. Material adverse change

There has been no material adverse change in the financial position or prospects of the Issuer since its incorporation.

6. Miscellaneous

As at the date hereof, the Issuer has not commenced operations and no statutory or non-statutory accounts in respect of any fiscal year of the Issuer have been prepared. The Issuer will not publish interim accounts. The fiscal year in respect of the Issuer is the calendar year.

Any website referred to in this document does not form part of this Prospectus.

7. Publication of documents

This Prospectus will be made available to the public by publication in electronic form on the website of Euronext Dublin (www.ise.ie).

8. Listing and admission to trading

Application has been made to Euronext Dublin for the Notes to be admitted to the Official List of Euronext Dublin and to trading on its regulated market, subject only, in the case of the Class A Notes, to the issue of the Global Note representing the Class A Notes and, in the case of the Class B Notes, to the issue of the Global Note representing the Class B Notes and, in the case of the Class C Notes, to the issue of the Global Note representing the Class C Notes and, in the case of the Class D Notes, to the issue of the Global Note representing the Class D Notes and, in the case of the Class E Notes, to the issue of the Global Note representing the Class E Notes and, in the case of the Class X Notes, to the issue of the Global Note representing the Class X Notes. The issue of the Notes will be cancelled if the related Global Notes, as applicable, are not issued. The estimated aggregate cost of the foregoing applications for admission to the Official List of Euronext Dublin and admission to trading on its regulated market is approximately EUR 10,000.

Arthur Cox Listing Services Limited is acting solely in its capacity as Irish Listing Agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on its regulated market for the purposes of the Prospectus Directive.

From the date of this Prospectus and including for so long as the Notes are admitted to the Official List of Euronext Dublin and to trading on its regulated market, copies of the following documents may be inspected in physical form or in electronic form at the registered office of the Issuer during usual business hours, on any weekday (public holidays excepted):

- (a) the articles of incorporation of the Issuer;
- (b) the resolutions of the board of directors of the Issuer approving the issue of the Notes;
- (c) the Monthly Investor Reports;
- (d) all notices given to the Noteholders pursuant to the Conditions; and
- (e) this Prospectus and all Transaction Documents referred to in this Prospectus.

The Monthly Investor Report shall include detailed summary statistics and information regarding the performance of the Portfolio of the Purchased Receivables and contain a glossary of the terms which can be found in the "GLOSSARY OF TERMS" section of this Prospectus. The first Monthly Investor Report issued by the Issuer shall additionally disclose the amount of Notes (i) privately-placed with investors other than the Seller and its affiliated companies (together the "**Originator Group**"), (ii) retained by a member of the Originator Group and (iii) publicly-placed with investors which are not part of the Originator Group. In relation to any amount of Notes initially retained by a member of the Originator Group but subsequently placed with investors outside the Originator Group such circumstance will be disclosed (to the extent legally permitted) in the next Monthly Investor Report following such outplacing.

Furthermore, the Issuer undertakes to make available to the Noteholders and Certificateholders on a regular basis from the Closing Date until the Legal Maturity Date loan level data and a cash flow model either directly or indirectly through one or more entities who provide such cash flow models to investors generally. From the Closing Date such information will be available at <https://sf.citidirect.com/>. Such website and the content thereof does not form part of this Prospectus.

9. ICSDs

Euroclear Bank SA/NV
1 Boulevard du Roi Albert II
B-1210 Brussels
Belgium

Clearstream Banking S.A.
42 Avenue JF Kennedy
L-1885 Luxembourg

10. Clearing codes

	ISIN	Common Code
Class A Notes	XS1843115855	184311585
Class B Notes	XS1843116150	184311615
Class C Notes	XS1843116234	184311623
Class D Notes	XS1843116408	184311640
Class E Notes	XS1843116820	184311682
Class X Notes	XS1843116747	184311674
Residual Certificates	XS1844096401	184409640

GLOSSARY OF TERMS

The following is part of the Master Definitions Schedule. The Master Definitions Schedule will be attached to the Conditions and constitutes an integral part of the Conditions – in case of any overlap or inconsistency in the definitions of a term or expression in this Glossary of Terms and elsewhere in this Prospectus, the definitions of this Glossary of Terms will prevail.

The parties to the Master Definitions Schedule agree that, except where expressly stated to the contrary or where the context otherwise requires, the definitions set out below shall apply to terms or expressions referred to but not otherwise defined in each Transaction Document.

"Account Bank" means Citibank N.A., London Branch or any successor thereof or any other Person appointed as replacement Account Bank from time to time in accordance with the Bank Account Agreement.

"Additional Account" means any account opened in the name of the Issuer from time to time (whether a new account or a replacement or supplement for any existing Issuer Account) other than the Transaction Account, the Reserve Fund and the Cap Collateral Account.

"Adverse Claim" means any mortgage, charge, pledge, hypothecation, lien or other security interest or encumbrance or other right or claim under the laws of any jurisdiction, of or on any Person's assets or properties in favour of any other Person.

"Affiliate" means, in relation to any corporate entity, a holding company or subsidiary of such corporate entity or a subsidiary of the holding company of such corporate entity (the terms "holding company" and "subsidiary" having the meaning given to them by the Companies Act 2006).

"Agency Agreement" means the agency agreement entered into by the Issuer, the Servicer, the Security Trustee, the Paying Agent and Interest Determination Agent, Registrar, and the Note Trustee on or about the Signing Date, under which the Issuer has appointed the Paying Agent to act as paying agent and to forward payments to be made by the Issuer under the Notes and the Residual Certificates to the Clearing Systems, the Interest Determination Agent to act as interest determination agent with respect to the Notes and the Registrar to maintain the Register in respect of the Notes and the Residual Certificates.

"Agent" means the Paying Agent, the Interest Determination Agent and/or the Registrar (as applicable).

"Aggregate Outstanding Principal Balance" means, on any date and with respect to each Purchased Receivable, the aggregate of the Outstanding Principal Balance of all Purchased Receivables.

"Aggregate Outstanding Note Principal Amount" means the aggregate of the Outstanding Note Principal Amount of a Class of Notes on an Interest Payment Date (taking into account the principal redemption on such Interest Payment Date).

"AIFMD" means Directive (EU) No 2011/61.

"AIFMR" means Regulation (EU) No 231/2013.

"Alternative Benchmark Rate" has the meaning given to that term in Condition 12(b)(ii)(9) (*Amendments and waiver*) and Residual Certificate Condition 10(b)(ii)(9) (*Amendments and waiver*).

"Ancillary Rights" means, in relation to each Purchased Receivable, the ancillary rights associated with each Receivable other than ownership of the related Vehicle and other than any Excluded Amounts and shall include the following as the context requires:

- (a) the right to demand, sue for, recover, receive and give receipts for all amounts due (whether or not from the relevant Obligor) under, relating to or in connection with the related HP Agreement;
- (b) the benefit of all covenants and undertakings from the relevant Obligor and from any guarantor under, relating to or in connection with the related HP Agreement;
- (c) the benefit of all causes of action against the relevant Obligor and any guarantor under, relating to or in connection with the related HP Agreement;
- (d) the right to receive the Vehicle Sale Proceeds;
- (e) the benefit of the Seller in any motor vehicle insurance policy for the Vehicle to which such Receivable is related and any proceeds thereunder paid to the Seller; and
- (f) the benefit of any other rights, title, interests, powers or benefits of the Seller in relation to the related HP Agreement (other than title to the Vehicle), including any claims against a Dealer in respect of a Vehicle,

and for the purpose of this definition references to "**guarantees**" shall be deemed to include all other indemnities, security, collateral or other documents, agreements or arrangements whatsoever whereby any person (including, but without limitation, any Obligor) agrees to make any payment to the Seller in respect of that Obligor's obligations under the relevant HP Agreement or to provide any security therefor and "**guarantors**" shall be construed accordingly.

"**Applicable Benchmark Rate**" has the meaning given to that term in Condition 12(b)(ii)(9) (*Amendments and waiver*) and Residual Certificate Condition 10(b)(ii)(9) (*Amendments and waiver*).

"**Arranger**" means Citigroup Global Markets Limited.

"**Available Principal Receipts**" means, in respect of any Calculation Period and the immediately succeeding Interest Payment Date, an amount equal to the sum of:

- (a) all Principal Receipts received by the Issuer during such Calculation Period (in each case, excluding any Reconciliation Amounts to be applied as Available Revenue Receipts on that Interest Payment Date);
- (b) the amount, if any, to be credited to the Principal Deficiency Ledger pursuant to items (f), (i), (l), (o) and (r) of the Pre-Acceleration Revenue Priority of Payments on the relevant Interest Payment Date;
- (c) on each Interest Payment Date following a Determination Period, any Reconciliation Amounts deemed to be Available Principal Receipts in accordance with the Cash Management Agreement;
- (d) any Principal Receipts (other than those Principal Receipts referred to in (a) above) that have not been applied on the immediately preceding Interest Payment Date; and
- (e) on a Repurchase Date on which the Clean-Up Call is exercised, all amounts relating to the Calculation Period in which the Clean-Up Call is exercised standing to the credit of the Transaction Account (excluding the balance on the Issuer Profit Ledger) on the date which is two Business Days prior to the Repurchase Date,

excluding any payments received by the Issuer in error which have been identified by the Servicer and communicated to the Cash Manager accordance with the Servicing Agreement.

"**Available Revenue Receipts**" means, in respect of any Calculation Period and the immediately following Interest Payment Date, an amount equal to the sum of:

- (a) all Revenue Receipts received by the Issuer during such Calculation Period (in each case, excluding any Reconciliation Amounts to be applied as Available Principal Receipts on that Interest Payment Date);
- (b) interest received on any Issuer Account (other than any Cap Collateral Account);
- (c) amounts received by the Issuer under the Cap Agreement (other than any (1) early termination amount (save to the extent such early termination amount or part thereof is in excess of any premium due to a replacement Cap Provider) or (2) Replacement Cap Premium (save to the extent such Replacement Cap Premium or any part thereof is in excess of any termination payment due to the relevant outgoing Cap Provider), (3) any Cap Collateral, or (4) Cap Tax Credits or (5) any Excess Cap Collateral);
- (d) on each Interest Payment Date following a Determination Period, any Reconciliation Amounts deemed to be Available Revenue Receipts in accordance with the Cash Management Agreement;
- (e) the aggregate of all Available Principal Receipts (if any) which are applied as Surplus Available Principal Receipts;
- (f) any Revenue Receipts (other than those Revenue Receipts referred to in (a) above) that have not been applied on the immediately preceding Interest Payment Date;
- (g) the Reserve Fund Release Amount, provided that this is only available for payments under (a) to (d), (g), (j), (m) and (p) of the Pre-Acceleration Revenue Priority of Payments;
- (h) on the Final Class A Interest Payment Date, the Final Class B Interest Payment Date, the Final Class C Interest Payment Date, the Final Class D Interest Payment Date, the Final Class E Interest Payment Date, on the date on which the Aggregate Outstanding Principal Balance is zero and the Legal Maturity Date, all amounts on the applicable sub-ledger(s) of the Reserve Fund Ledger; and
- (i) the Reserve Fund Excess Amount,

but, for the avoidance of doubt, excluding any Issuer Profit Amount retained by the Issuer on any previous Interest Payment Date, (without double counting any amounts excluded from the definition of Revenue Receipts) any amounts which have been applied as Permitted Revenue Withdrawals by the Issuer during the immediately preceding Calculation Period and any payments received by the Issuer in error which have been identified by the Servicer and communicated to the Cash Manager accordance with the Servicing Agreement.

"Bank Account Agreement" means the bank account agreement entered into by the Issuer, the Account Bank, the Note Trustee and the Security Trustee on or about the Signing Date in which the Issuer has appointed the Account Bank to establish and operate the Issuer Accounts under the Transaction Documents.

"Banking Consolidation Directive" means Directive 2006/48/EC on credit institutions.

"Basic Terms Modification" has the meaning given to it in Schedule 4 (*Provisions for Meetings of the Noteholders and the Certificateholders*) of the Trust Deed.

"Benchmark Event" has the meaning given to it in the Cap Agreement.

"Benchmark Rate Modification" has the meaning given to that term in Condition 12(b)(ii)(9) (*Amendments and waiver*) and Residual Certificate Condition 10(b)(ii)(9) (*Amendments and waiver*).

"Benchmark Rate Modification Certificate" has the meaning given to that term in Condition 12(b)(ii)(9) (*Amendments and waiver*) and Residual Certificate Condition 10(b)(ii)(9) (*Amendments and waiver*).

"Benchmark Regulation" means the Benchmark Regulation (Regulation (EU) 2016/1011).

"BMF DD Collection Account" means an account held with the Collection Account Bank in the name of the BMF DD Collection Account Holder into which all Obligors are directed to make payment in respect of the Purchased Receivables (other than prepayments and certain other exceptional payments to be received from Obligors, which Obligors are directed to pay to the Seller Collection Account).

"BMF DD Collection Account Declaration of Trust" means the trust declared by the BMF DD Collection Account Holder on or about the Closing Date in favour of, among others, the Issuer over the aggregate amount standing to the credit of the BMF DD Collection Account which relates to Purchased Receivables.

"BMF DD Collection Account Holder" means Blue Motor Finance DD Limited.

"BMFL" means Blue Motor Finance Limited.

"BMFL Information" has the meaning given to in on page viii of this Prospectus.

"Book-Entry Interests" means the beneficial interests in the Global Notes.

"Broker" means any intermediary that has introduced an Obligor to the Seller, having the relevant permission under the FSMA to carry on in relation to the related HP Agreement the regulated activity of "credit broking" as defined in Article 36A(1) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.

"Business Day" means a day (other than a Saturday or a Sunday) on which banks are generally open for business in London.

"Business Day Convention" means that if any due date specified in a Transaction Document for performing a certain task (in particular, payments of any amounts) is not a Business Day, such task shall be performed (a payment shall be made) on the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such task shall be performed on the immediately preceding Business Day (*Modified Following Business Day Convention*).

"Calculated Principal Receipts" means, in respect of a Determination Period, (A) 1 minus the Interest Determination Ratio multiplied by (B) all collections received by the Issuer during such Determination Period.

"Calculated Revenue Receipts" means, in respect of a Determination Period, (A) the Interest Determination Ratio multiplied by (B) all collections received by the Issuer during such Determination Period.

"Calculation Agent" means, in relation to the Cap Agreement, the Cap Provider, provided that if the Cap Provider is a Defaulting Party (as defined in the Cap Agreement), the Issuer may, by giving written notice to the Cap Provider, appoint a substitute Calculation Agent that is a leading, independent dealer in the interest rate derivatives market.

"Calculation Date" means in relation to each Calculation Period the third Business Day prior to the relevant Interest Payment Date, with the first Calculation Date falling on 15 August 2018.

"Calculation Period" means the monthly servicing and cash management reporting period from (and including) the first day of each calendar month to (but excluding) the first day of the following month or,

in the case of the first Calculation Period, from (and including) the Cut-Off Date to (but excluding) 31 July 2018.

"Cap Agreement" means the Cap agreement, dated and executed on or about the Signing Date between the Issuer and the Cap Provider pursuant to the 1992 ISDA Master Agreement, the schedule thereto, an interest rate cap confirmation and a related credit support annex thereunder.

"Cap Collateral" means an amount equal to the value of the collateral (or the applicable part of any collateral) provided by the Cap Provider to the Issuer in respect of that Cap Provider's obligations to transfer collateral to the Issuer under the Cap Agreement.

"Cap Collateral Account" means the cap collateral account of the Issuer opened on or before the Signing Date with the Account Bank or any successor account.

"Cap Notional Amount" means, on any Interest Payment Date, the notional amount for the related Interest Period as set out in the amortisation schedule appended to the interest rate cap transaction confirmation entered into under the Cap Agreement.

"Cap Premium" means the premium payable by the Issuer to the Cap Provider upon entry into the Cap Agreement on or about the Closing Date.

"Cap Provider" means J.P. Morgan AG.

"Cap Rate" means the cap rate under, and as defined in, the Cap Agreement, being 1.50%.

"Cap Tax Credits" means any credit, allowance, set-off or repayment, which is received by the Issuer in respect of tax from the tax authorities of any jurisdiction relating to any deduction or withholding giving rise to an increased payment by the Cap Provider to the Issuer, the amounts of which will be applied by the Issuer in accordance with the Cash Management Agreement.

"Cap Termination Payment" means any amounts due by the Cap Provider to the Issuer under the Cap Agreement following a close out netting under Section 6(f) of the ISDA Master Agreement as amended by the Cap Agreement.

"Car Data Register" means the company with which the Seller registers its interest in a Vehicle from time to time, which at the Closing Date is HPI Limited.

"Cash Management Agreement" means the cash management agreement dated on or about the Closing Date among the Issuer, the Cash Manager, the Servicer, the Account Bank, the Note Trustee and the Security Trustee.

"Cash Manager Termination Event" means any of:

- (a) a default is made by the Cash Manager in the payment, on the due date, of any payment due and payable by it under the Cash Management Agreement and such default (where capable of remedy) continues unremedied for a period of three Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer or the Security Trustee, as the case may be, requiring the same to be remedied;
- (b) a default is made by the Cash Manager in the performance or observance of any of its other covenants and obligations under the Cash Management Agreement, which in the opinion of the Security Trustee is materially prejudicial to the interests of the Secured Creditors and such default continues unremedied for a period of 30 Business Days after the earlier of the Cash Manager becoming aware of such default (where capable of remedy) and receipt by the Cash Manager of written notice from the Issuer or the Security Trustee, as applicable, requiring the same to be remedied (where capable of remedy);

- (c) it is or will become unlawful for the Cash Manager to perform or comply with any of its obligations under the Cash Management Agreement; or
- (d) an Insolvency Event occurs in respect of the Cash Manager.

"Cash Manager" means the person appointed as cash manager, any successor thereof or any other Person appointed as replacement cash manager from time to time in accordance with the Cash Management Agreement, which on the Closing Date is Citibank, N.A., London Branch, acting through its office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

"CCA" means the Consumer Credit Act 1974, as amended by the Consumer Credit Act 2006 and associated secondary legislation.

"CCA Compensation Amount" means the amount, calculated by the Servicer in accordance with clause 11.1(f)(i) (*Undertakings of the Servicer*) of the Servicing Agreement, to compensate the Issuer for any loss caused as a result of a breach of the Seller Receivables Warranties arising as a result of any Purchased Receivables or related HP Agreement (or part thereof) being determined illegal, invalid, unenforceable or non-binding under the CCA or the FSMA.

"CCA Compensation Payment" means the payment made by the Seller to the Issuer in respect of the CCA Compensation Amount.

"Certificateholder" means the person in whose name such Residual Certificate is registered at that time in the Register or, in the case of a joint holding, the first named person; provided that, so long as any of the Residual Certificates are represented by the Global Residual Certificate, the term **"Certificateholder"** will include the persons for the time being set out in the records of Euroclear and/or Clearstream, Luxembourg, as the holders of a particular number of Residual Certificates for all purposes other than in respect of payments on such Residual Certificates, the right to which will be vested as against the Issuer solely in the holder of the Global Residual Certificate in accordance with and subject to its terms.

"Charged Documents" means the Transaction Documents to which the Issuer is a party and all other contracts, documents, agreements and deeds to which it is, or may become, a party (other than the Deed of Charge, the Vehicle Declaration of Trust and the Scottish Supplemental Charge).

"Charged Property" means the property subject to the security created by the Issuer in favour of the Security Trustee for it and the other Secured Creditors pursuant to the Deed of Charge.

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

"Class A Notes" means the floating rate Class A Notes which are issued on the Closing Date in an initial Aggregate Outstanding Note Principal Amount of GBP 242,700,000 and divided into 2,427 Class A Notes, each having an initial Outstanding Note Principal Amount of GBP 100,000.

"Class A Interest Amount" means on each Interest Payment Date, the amount of interest payable pursuant to Condition 4(e) (*Calculations*) in respect of the Class A Notes held by a Class A Noteholder on such Interest Payment Date.

"Class A Interest Rate" has the meaning given to it in Condition 4(c) (*Interest Rate*).

"Class A Interest Shortfall" has the meaning given to it in Condition 6(a) (*Additional interest on the Class A Notes*).

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

"Class B Notes" means the floating rate Class B Notes which are issued on the Closing Date in an initial Aggregate Outstanding Note Principal Amount of GBP 69,300,000 and divided into 693 Class B Notes, each having an initial Outstanding Note Principal Amount of GBP 100,000.

"Class B Interest Amount" means on each Interest Payment Date, the amount of interest payable pursuant to Condition 4(e) (*Calculations*) in respect of the Class B Notes held by a Class B Noteholder on such Interest Payment Date.

"Class B Interest Rate" has the meaning given to it in Condition 4(c) (*Interest Rate*).

"Class B Interest Shortfall" has the meaning given to it in Condition 6(b) (*Interest on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes*).

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

"Class C Notes" means the floating rate Class C Notes which are issued on the Closing Date in an initial Aggregate Outstanding Note Principal Amount of GBP 23,700,000 and divided into 237 Class C Notes, each having an initial Outstanding Note Principal Amount of GBP 100,000.

"Class C Interest Amount" means on each Interest Payment Date, the amount of interest payable pursuant to Condition 4(e) (*Calculations*) in respect of the Class C Notes held by a Class C Noteholder on such Interest Payment Date.

"Class C Interest Rate" has the meaning given to it in Condition 4(c) (*Interest Rate*).

"Class C Interest Shortfall" has the meaning given to it in Condition 6(b) (*Interest on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes*).

"Class D Notes" means the floating rate Class D Notes which are issued on the Closing Date in an initial Aggregate Outstanding Note Principal Amount of GBP 11,000,000 and divided into 110 Class D Notes, each having an initial Outstanding Note Principal Amount of GBP 100,000.

"Class D Interest Amount" means on each Interest Payment Date, the amount of interest payable pursuant to Condition 4(e) (*Calculations*) in respect of the Class D Notes held by a Class D Noteholder on such Interest Payment Date.

"Class D Noteholders" mean the holders of the Class D Notes.

"Class D Interest Rate" has the meaning given to it in Condition 4(c) (*Interest Rate*).

"Class D Interest Shortfall" has the meaning given to it in Condition 6(b) (*Interest on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes*).

"Class E Noteholders" means the holders of the Class E Notes.

"Class E Notes" means the fixed rate Class E Notes which are issued on the Closing Date in an initial Aggregate Outstanding Note Principal Amount of GBP 18,300,000 and divided into 183 Class E Notes, each having an initial Outstanding Note Principal Amount of GBP 100,000.

"Class E Interest Amount" means on each Interest Payment Date, the amount of interest payable pursuant to Condition 4(e) (*Calculations*) in respect of the Class E Notes held by a Class E Noteholder on such Interest Payment Date.

"Class E Interest Rate" has the meaning given to it in Condition 4(c) (*Interest Rate*).

"Class E Interest Shortfall" has the meaning given to it in Condition 6(b) (*Interest on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes*).

"Class of Notes" means each of the Class A Notes and/or the Class B Notes and/or the Class C Notes and/or Class D Notes and/or the Class E Notes and/or the Class X Notes.

"Class X Noteholders" means the holders of the Class X Notes.

"Class X Notes" means the floating rate Class X Notes which are issued on the Closing Date in an initial Aggregate Outstanding Note Principal Amount of GBP 40,200,000 and divided into 402 Class X Notes, each having an initial Outstanding Note Principal Amount of GBP 100,000.

"Class X Interest Amount" means on each Interest Payment Date, the amount of interest payable pursuant to Condition 4(e) (*Calculations*) in respect of the Class X Notes held by a Class X Noteholder on such Interest Payment Date.

"Class X Interest Rate" has the meaning given to it in Condition 4(c) (*Interest Rate*).

"Class X Interest Shortfall" has the meaning given to it in Condition 6(b) (*Interest on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes*).

"Clean-Up Call" means the Seller's right to repurchase all of the Purchased Receivables on any Interest Payment Date following the Determination Date on which the Aggregate Outstanding Principal Balance of all Purchased Receivables is equal to or less than 10% of the Aggregate Outstanding Principal Balance of all Purchased Receivables as at the Cut-Off Date when the Clean-Up Call Conditions are satisfied.

"Clean-Up Call Conditions" means, in relation to any exercise by the Seller of the Clean-Up Call, the following requirements:

- (a) the Final Repurchase Price should be an amount as described in Condition 5(d)(i)(1) (*Clean-Up Call*); and
- (b) the Seller shall have notified the Issuer of its intention to exercise the Clean-Up Call at least 10 calendar days prior to the contemplated settlement date of the Clean-Up Call.

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

"Clearing Systems" means Clearstream Banking S.A., Euroclear Bank SA/NV, DTC and/or such other clearing agency, settlement system, or depository as may from time to time be used in connection with the safekeeping of, or transactions relating to, securities, and any nominee, clearing agency, or depository for any of them.

"Closing Date" means 12 July 2018.

"Collateralised Notes" means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

"Collection Account" means the BMF DD Collection Account and/or the Seller Collection Account (as the context requires).

"Collection Account Bank" means Lloyds Bank plc.

"Collection Account Declaration of Trust" means the BMF DD Collection Declaration of Trust and/or the Seller Collection Account Declaration of Trust (as the context requires).

"Collections" means, in respect of each Receivable, all amounts of cash received by the Servicer in respect of Purchased Receivables deriving from the related HP Agreement or Ancillary Rights from the Obligor or a third party, including any amounts representing the Vehicle Sale Proceeds and any Recovery Collections.

"Common Depository" means the common depository in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class X Notes and the Residual Certificates.

"Common Safekeeper" or **"CSK"** means the entity appointed by the ICSDs to provide safekeeping for the Notes in NSS form.

"**Conditions**" means the terms and conditions of the Notes (which terms and conditions are set out in the Prospectus).

"**Corporate Services Agreement**" pursuant to the corporate services agreement entered into by the Issuer, Holdings and the Corporate Services Provider on or about the Closing Date under which the Issuer and Holdings have appointed the Corporate Services Provider to perform certain corporate and administrative services to each of them.

"**Corporate Services Provider**" means Intertrust Management Limited, acting through its office at 35 Great St. Helen's, London EC3A 6AP.

"**CRA15**" means the Consumer Rights Act 2015.

"**CRA Regulation**" means Regulation (EC) No 1060/2009 of the European Parliament on credit rating agencies, as amended by Regulation (EU) No 513/2011 and by Regulation (EU) No 462/2013 ("**CRA3**").

"**CRD**" means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.

"**CRD IV Package**" means CRD and CRR.

"**Credit and Collection Procedures**" means the origination, credit and collection procedures employed by the Seller from time to time in relation to the provision of Services as set out in the Servicing Agreement, as the same may from time to time be amended in accordance with the Transaction Documents.

"**Credit Support Annex**" means the credit support annex to the ISDA Master Agreement executed in accordance with the provisions of the Cap Agreement.

"**CRR**" means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, amending Regulation (EU) No 648/2012 as supplemented by Commission Delegated Regulation (EU) No 625/2014.

"**Cut-Off Date**" means 29 June 2018.

"**Data Protection Laws**" include the Data Protection Act 1998 and the EU General Data Protection Regulation 2016/679 and any successor legislation thereto.

"**Day Count Fraction**" means in respect of an Interest Period, the actual number of days in such Interest Period divided by 365.

"**Dealer**" means any person from whom the Seller purchases a Vehicle to form the subject matter of an HP Agreement.

"**Dealer Contract**" means any contract between the Seller and any Dealer relating to the supply of a Vehicle.

"**Deed of Charge**" means the deed of charge dated on or about the Closing Date between, *inter alios*, the Issuer and the Security Trustee.

"**Defaulted Receivable**" means any Purchased Receivable (excluding a Disputed Receivable or any Receivable with an Outstanding Principal Balance of less than £30):

- (a) in relation to which the Obligor has returned the related Vehicle and sought to terminate the relevant HP Agreement without making further monthly hire purchase payments other than in accordance with sections 99 and 100 of the CCA;

- (b) in respect of which a Monthly Payment or any other payment in excess of £30 thereunder is unpaid past its due date for more than 90 days from the date specified for payment under the related HP Agreement;
- (c) in relation to which the Seller (or someone on its behalf) has issued an instruction for the repossession of the related Vehicle;
- (d) in relation to which the Obligor has perpetrated a fraud in entering into the relevant HP Agreement; or
- (e) in relation to which, in accordance with the Seller's Credit and Collection Procedures, it has been determined that there is no reasonable chance that the Obligor is able to pay and that any outstanding amounts will be collected (including, for the avoidance of doubt, where the Obligor is untraceable).

"Defaulted Receivables Payment" means, in respect of a Defaulted Receivable, and following disposal of the Vehicle related to such Receivable and receipt by the Issuer of the related Vehicle Sale Proceeds, an amount equal to the amount recoverable from a third party debt collection agency in respect of that Defaulted Receivable (such amount to be evidenced in the notice of repurchase), but in any event up to a maximum amount equal to the Outstanding Principal Balance of the relevant Receivable on the Repurchase Date.

"Determination Date" means the last calendar day of each calendar month. The first Determination Date will be 31 July 2018.

"Determination Period" means a Calculation Period in respect of which the Cash Manager does not receive a Monthly Report from the Servicer in accordance with the Servicing Agreement.

"Definitive Notes" means Notes in definitive registered form.

"Definitive Residual Certificates" means the Residual Certificates in definitive registered form.

"Direct Debit" means a written instruction of an Obligor authorising its bank to honour a request of BMFL to debit a sum of money on specified dates from the account of the Obligor for credit to an account of BMFL.

"Direct Debiting Arrangements" means the procedures adopted in accordance with the rules of the Association for Payment Clearing Services.

"Disputed Receivable" means a Receivable payment of which is being disputed in good faith by an Obligor.

"Early Settlement" means where (i) the Obligor of a Purchased Receivable requests from the Servicer that the Servicer allows the Obligor, on payment to the Servicer of the requested early settlement amount calculated in accordance with the Credit and Collection Procedures, to terminate the HP Agreement and (ii) the requested early settlement amount is paid in accordance with the Credit and Collection Procedures with the result that no further liability exists from the Obligor under the HP Agreement that is the subject of the early settlement request.

"Early Settlement Regulations" means the Consumer Credit (Early Settlement) Regulations 2004.

"EC Treaty" means the Treaty establishing the European Community (signed in Rome on 25 March, 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February, 1992), as amended by the Treaty of Amsterdam (signed in Amsterdam on 2 November, 1997), as amended by the Treaty of Nice (signed in Nice on 26 February, 2001) and as amended by the Treaty of Lisbon (signed in Lisbon on 13 December 2007 and in force since 1 December 2009) and as amended from time to time.

"Effective Rate" means the term annual percentage rate applicable to each HP Agreement.

"Eligible Receivable" means a Receivable that satisfies the Eligibility Criteria.

"Eligibility Criteria" means the eligibility criteria set out in Appendix 2 (*Eligibility Criteria*) to the Receivables Sale and Purchase Agreement.

"Eligible Cap Provider" means with respect to the Cap Provider or any guarantor of the Cap Provider, respectively, any entity:

- (a) that (x) has the S&P First Required Rating (in the event that S&P Option 1 or S&P Option 2 applies, as such terms are defined in the Cap Agreement) or (y) has the S&P Second Required Rating (in the event that S&P Option 1 or S&P Option 2 or S&P Option 3 or S&P Option 4 applies) and posts collateral in accordance with the Cap Agreement; and
- (b) having a counterparty risk assessment of (i) "A3" or above by Moody's or (ii) "Baa3" or above by Moody's and which either posts collateral in the amount and manner set forth in the Cap Agreement or obtains a guarantee from a person having the ratings set forth in (i) above.

"EMIR" means Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, known as the European Market Infrastructure Regulation.

"Enforcement Event" means the event that an Event of Default has occurred and the Note Trustee has served a Note Acceleration Notice on the Issuer.

"ESMA" means the European Securities Markets Authority.

"EU Insolvency Regulation" means Council Regulation (EC) no. 1346/2000 of 29 May 2000 on insolvency proceedings.

"EU Retention Requirements" means Article 405 of the CRR, Article 17 of the AIFMD and Article 254 of the Solvency II Regulation.

"EUR" or **"Euro"** means the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the EC Treaty.

"Euroclear" means Euroclear Bank SA/NV as operator of the Euroclear System and any successor thereto.

"Euronext Dublin" means the Irish Stock Exchange plc trading as Euronext Dublin.

"Eurosystem" comprises the European Central Bank and the national central banks of those countries that have adopted the euro.

"Event of Default" has the meaning given to it in Condition 10 (*Events of Default*) of the Notes and Residual Certificate Condition 8 (*Events of Default*).

"Excess Amount" means:

- (a) a payment credited to the Collection Accounts which represents an amount received from an Obligor in excess of the amount payable under the relevant HP Agreement; and
- (b) any payment which is recalled by the payor or subject to repayment under the Direct Debiting Arrangements guarantee or otherwise is a payment made in error to the Collection Account.

"Excess Cap Collateral" means any Return Amount (as such term is defined in the Credit Support Annex) which the Cap Provider is entitled to have returned to it under the terms of the Cap Agreement.

"Excess Recoveries Amount" means, in respect of a Purchased Receivable, an amount equal to any amounts received by the Issuer which are in excess of the aggregate amounts payable by an Obligor in respect of such Purchased Receivables (including related fees and costs associated with any recoveries) either as a result of any indemnity or other payment amounts received from Dealers, Insurers or other third parties or following a Receivable becoming a Defaulted Receivable (including, but not limited to, amounts deriving from Vehicle Sale Proceeds).

"Exchange Event" means:

- (a) any relevant Clearing System is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (b) any of the circumstances described in Condition 10 (*Events of Default*) or, following redemption in full of the Notes, Residual Certificate Condition 8 (*Events of Default*) occurs; or
- (c) as a result of any amendment to, or change in (A) the laws or regulations of the United Kingdom (or of any political sub-division thereof) or of any authority therein or thereof having power to Tax or (B) the interpretation or administration of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or the Paying Agent is or will be required to make a Tax Deduction from any payment in respect of the Notes or the Residual Certificates which would not be required were the Notes or the Residual Certificates (as applicable) in definitive form.

"Excluded Amounts" means fees and expenses, charges and costs, paid by an Obligor to the Servicer in respect of a Purchased Receivable and not reimbursed by the Issuer, if any, arising as a consequence of any late payment or failure to pay by Direct Debit by the Obligor, any third party charges or any subsequent enforcement actions against the Obligor.

"Extraordinary Resolution" has the meaning given to it in Condition 12 (*Meetings of Noteholders, modifications, waiver, substitution and exchange*) and Residual Certificate Condition 10 (*Meetings of Certificateholders and Noteholders, modifications, waiver, substitution and exchange*).

"FATCA" means:

- (a) sections 1471 to 1474 of the US Internal Revenue Code and the Treasury regulations and official guidance issued thereunder, as amended from time to time ("**US FATCA**");
- (b) any inter-governmental agreement between the United States and any other jurisdiction entered into in connection with US FATCA (an "**IGA**");
- (c) any treaty, law, regulation or official guidance enacted, issued or amended in any jurisdiction which facilitates the implementation of US FATCA or an IGA ("**Implementing Law**"); and
- (d) any agreement entered into with the US Internal Revenue Service, the US government or any governmental or Tax authority in any other jurisdiction in connection with US FATCA, an IGA or any Implementing Law.

"FATCA Deduction" means a deduction or withholding from a payment under a Transaction Document required by FATCA.

"FCA" means the Financial Conduct Authority of the United Kingdom.

"FCA Handbook" means the handbook of rules promulgated by the FCA under FSMA as amended or replaced from time to time.

"Final Class A Interest Payment Date" means the Interest Payment Date on which, following the application of the Pre-Acceleration Principal Priority of Payments, the Class A Notes are redeemed in full.

"Final Class B Interest Payment Date" means the Interest Payment Date on which, following the application of the Pre-Acceleration Principal Priority of Payments, the Class B Notes are redeemed in full.

"Final Class C Interest Payment Date" means the Interest Payment Date on which, following the application of the Pre-Acceleration Principal Priority of Payments, the Class C Notes are redeemed in full.

"Final Class D Interest Payment Date" means the Interest Payment Date on which, following the application of the Pre-Acceleration Principal Priority of Payments, the Class D Notes are redeemed in full.

"Final Class E Interest Payment Date" means the Interest Payment Date on which, following the application of the Pre-Acceleration Principal Priority of Payments, the Class E Notes are redeemed in full.

"Final Class Interest Payment Date" means the Final Class A Interest Payment Date (in respect of the Class A Notes), the Final Class B Interest Payment Date (in respect of the Class B Notes), the Final Class C Interest Payment Date (in respect of the Class C Notes), the Final Class D Interest Payment Date (in respect of the Class D Notes) and the Final Class E Interest Payment Date (in respect of the Class E Notes).

"Final Receivables" means on any Interest Payment Date, all Purchased Receivables then owned by the Issuer.

"Final Redemption Date" means the Legal Maturity Date or, if earlier, the date on which the Outstanding Note Principal Amount has been repaid in full by the Issuer.

"Final Repurchase Price" means, in respect of the Final Receivables, an amount equal to the amount specified in Condition 5(d)(i)(1).

"Fitch" means Fitch Ratings Limited or its affiliate and its successors.

"Floating Rate Notes" means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class X Notes.

"FSMA" means the Financial Services and Markets Act 2000.

"GBP" or **"Sterling"** means the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland.

"Global Note" means each of the global notes, in fully registered form, without interest coupons attached, which will represent the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes on issue substantially in the form set out in Schedule 1 (*Forms of the Notes*) of the Trust Deed.

"Global Residual Certificate" means the Residual Certificates represented on issue by a global residual certificate in registered form.

"Gross Loss" means, in respect of a Defaulted Receivable or a Voluntarily Terminated Receivable, the Outstanding Principal Balance of such Purchased Receivable (determined at the point at which such Purchased Receivable became a Defaulted Receivable or Voluntarily Terminated Receivable).

"Holdings" means Azure Finance No. 1 Holdings Limited (company number 11338899), whose registered office is at 35 Great St. Helen's, London EC3A 6AP.

"HP Agreement" means an agreement for the provision of credit for the purchase of motor vehicles, taking the form of a hire purchase agreement entered into between BMFL and an Obligor under which the Obligor makes Monthly Payments to BMFL in respect of its use of the Vehicle and under which title to the Vehicle remains with BMFL until certain administrative fees have been paid by the Obligor.

"ICSD" or **"International Central Securities Depository"** means Clearstream, Luxembourg or Euroclear, and **"ICSDs"** means both Clearstream, Luxembourg and Euroclear collectively.

"Incentive Fee" means, in respect of a Vehicle, an incentive fee payable by the Issuer to the Seller pursuant to clause 4.2 (*Vehicle Sale Proceeds*) of the Receivables Sale and Purchase Agreement equal to 1% of the realisation proceeds (net of associated costs, charges, fees and expenses) in respect of such Vehicle.

"Income Element" means, in relation to each Purchased Receivable, all amounts to be received from or on behalf of the Obligor in respect of the Receivables other than the Principal Element of that Purchased Receivable and including, for the avoidance of doubt, all fees (including any option fees and fees payable as part of the last payment under the HP Agreement by the relevant Obligor but, for the avoidance of doubt, excluding the final payment of the principal amount of that Receivable and any Excluded Amounts) costs, any interest charged on interest and expenses received in respect of the Purchased Receivables.

"Insolvency Event" means, with respect to the relevant Transaction Party or any Obligor, as the case may be, each of the following events or circumstances:

- (a) that party is unable or admits inability to pay its debts as they fall due or is deemed unable to pay its debts within the meaning of Section 123(1) of the Insolvency Act (other than, except in the case of the Issuer, subsection 123(1)(a)) or Section 123(2), suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
- (b) a moratorium is declared in respect of any indebtedness of that party;
- (c) that party ceases, or through an official action of its board of directors threatens to cease, to carry on all or a substantial portion of its business;
- (d) any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of that party other than a solvent liquidation or reorganisation of that party;
 - (ii) a composition, compromise, conveyance, assignment or arrangement with any creditor of that party; or
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of that party or any of its assets,

or any analogous procedure or step is taken in any jurisdiction, provided that any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 30 calendar days of commencement shall not constitute an "Insolvency Event"; or

- (e) any expropriation, attachment, sequestration, distress, diligence or execution affects any asset or assets of that party and such process is not discharged, stayed or restrained, in each case, within 30 calendar days thereafter.

"Insolvency Official" means, in respect of any company, a liquidator, provisional liquidator, administrator (whether appointed by the court or otherwise), administrative receiver, receiver (including any receiver under the Law of Property Act 1925), receiver or manager, nominee, supervisor, trustee in bankruptcy, conservator, guardian or other similar official in respect of such company or in respect of all (or substantially all) of the company's assets or in respect of any arrangement or composition with creditors or any equivalent or analogous officer under the law of any jurisdiction.

"Instructing Party" means:

- (a) the Class A Noteholders, acting by the Note Trustee (acting in accordance with the Conditions and the Trust Deed), so long as the Class A Notes have not been redeemed in full and cancelled; and thereafter
- (b) the Class B Noteholders, acting by the Note Trustee (acting in accordance with the Conditions and the Trust Deed), so long as the Class B Notes have not been redeemed in full and cancelled; and thereafter
- (c) the Class C Noteholders, acting by the Note Trustee (acting in accordance with the Conditions and the Trust Deed), so long as the Class C Notes have not been redeemed in full and cancelled; and thereafter
- (d) the Class D Noteholders, acting by the Note Trustee (acting in accordance with the Conditions and the Trust Deed), so long as the Class D Notes have not been redeemed in full and cancelled; and thereafter
- (e) the Class X Noteholders, acting by the Note Trustee (acting in accordance with the Conditions and the Trust Deed), so long as the Class X Notes have not been redeemed in full and cancelled; and thereafter
- (f) the Class E Noteholders, acting by the Note Trustee (acting in accordance with the Conditions and the Trust Deed), so long as the Class E Notes have not been redeemed in full and cancelled; and thereafter
- (g) the Certificateholders, acting by the Note Trustee (acting in accordance with the Residual Certificate Conditions and the Trust Deed), so long as any Residual Certificate Payments remain in issue; and thereafter
- (h) all of the other Secured Creditors, if the Notes have been redeemed in full and cancelled and no Residual Certificate Payments remain in issue.

"Insurance Claims" means any claims against any Insurer in relation to any damaged or stolen Vehicle.

"Insurers" means the providers of Obligor Insurances.

"Interest Collection Shortfall" means an Interest Collection Shortfall (Class A), an Interest Collection Shortfall (Class B), an Interest Collection Shortfall (Class C), Interest Collection Shortfall (Class D) or an Interest Collection Shortfall (Class E).

"Interest Collection Shortfall (Class A)" means, on any Interest Payment Date, an amount equal to the excess, if any, of the amount required to make payments under items (a) to (d) (inclusive) of the Pre-Acceleration Revenue Priority of Payments on such Interest Payment Date over the Available Revenue Receipts for such Interest Payment Date, such amount to be determined without regard to any amounts being available for allocation from the Reserve Fund Ledger (Class A).

"Interest Collection Shortfall (Class B)" means, on any Interest Payment Date, an amount equal to the excess, if any, of the amount required to make payment under items (a) to (c) (inclusive) and (g) of

the Pre-Acceleration Revenue Priority of Payments on such Interest Payment Date and the amount of the Available Revenue Receipts available for application under such item of the Pre-Acceleration Revenue Priority of Payments for such Interest Payment Date, such amount to be determined without regard to any amounts being available for allocation from the Reserve Fund Ledger (Class B) but after allocation of any amounts from the Reserve Fund Ledger (Class A).

"Interest Collection Shortfall (Class C)" means, on any Interest Payment Date, an amount equal to the excess, if any, of the amount required to make payment under items (a) to (c) (inclusive) and (j) of the Pre-Acceleration Revenue Priority of Payments on such Interest Payment Date and the amount of the Available Revenue Receipts available for application under such item of the Pre-Acceleration Revenue Priority of Payments for such Interest Payment Date, such amount to be determined without regard to any amounts being available for allocation from the Reserve Fund Ledger (Class C) but after allocation of any amounts from the Reserve Fund Ledger (Class A) and the Reserve Fund Ledger (Class B).

"Interest Collection Shortfall (Class D)" means, on any Interest Payment Date, an amount equal to the excess, if any, of the amount required to make payment under items (a) to (c) (inclusive) and (m) of the Pre-Acceleration Revenue Priority of Payments on such Interest Payment Date and the amount of the Available Revenue Receipts available for application under such item of the Pre-Acceleration Revenue Priority of Payments for such Interest Payment Date, such amount to be determined without regard to any amounts being available for allocation from the Reserve Fund Ledger (Class D) but after allocation of any amounts from the Reserve Fund Ledger (Class A), the Reserve Fund Ledger (Class B) and the Reserve Fund Ledger (Class C).

"Interest Collection Shortfall (Class E)" means, on any Interest Payment Date, an amount equal to the excess, if any, of the amount required to make payment under items (a) to (c) (inclusive) and (p) of the Pre-Acceleration Revenue Priority of Payments on such Interest Payment Date and the amount of the Available Revenue Receipts available for application under such item of the Pre-Acceleration Revenue Priority of Payments for such Interest Payment Date, such amount to be determined without regard to any amounts being available for allocation from the Reserve Fund Ledger (Class E) but after allocation of any amounts from the Reserve Fund Ledger (Class A), the Reserve Fund Ledger (Class B), the Reserve Fund Ledger (Class C) and the Reserve Fund Ledger (Class D).

"Interest Determination Agent" means Citibank, N.A., London Branch, any successor thereof or any other Person appointed as replacement interest determination agent from time to time in accordance with the Agency Agreement.

"Interest Determination Date" means the first day of the relevant Interest Period.

"Interest Determination Ratio" means, on any Interest Payment Date, (a) the aggregate Revenue Receipts calculated in the three preceding Calculation Periods in respect of which all relevant Monthly Reports are available (or, where there are not at least three such previous Calculation Periods, any such previous Calculation Periods) divided by (b) the aggregate of all Revenue Receipts and all Principal Receipts calculated in such Monthly Reports.

"Interest Payment Date" means (in respect of the first Interest Payment Date) 20 August 2018, and thereafter the 20th day of each calendar month, subject to the Business Day Convention. Unless redeemed earlier, the last Interest Payment Date will be the Legal Maturity Date.

"Interest Period" means in respect of the first Interest Payment Date, the period commencing on (and including) the Closing Date and ending on (but excluding) the first Interest Payment Date, and, in respect of any subsequent Interest Payment Date, the period commencing on (and including) the immediately preceding Interest Payment Date and ending on (but excluding) such Interest Payment Date, provided that the last Interest Period shall end on (but exclude) the Legal Maturity Date or, if earlier, the date on which all Notes are redeemed in full.

"Interest Rate" means the Class A Interest Rate, the Class B Interest Rate, the Class C Interest Rate, the Class D Interest Rate, the Class E Interest Rate or the Class X Interest Rate, as applicable.

"Interest Shortfall" has the meaning given to it in Condition 6(b)(i) (*Interest on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes*).

"Investment Company Act" means the U.S. Investment Company Act of 1940, as amended from time to time.

"Irish Listing Agent" means Arthur Cox Listing Services Limited.

"Irrecoverable VAT" means any amount in respect of VAT incurred by a party to a Transaction Document (for the purposes of this definition, a **"Relevant Party"**) to the extent that the Relevant Party does not or will not receive and retain a credit or repayment of such VAT as input Tax (as that expression is defined in Section 24(1) of the VATA) for the prescribed accounting period (as that expression is used in Section 25(1) of the VATA) to which such input Tax relates.

"ISDA Master Agreement" means the 1992 ISDA Master Agreement (including the schedule and the Credit Support Annex thereto) dated on or about the Signing Date and made between the Issuer and the Cap Provider.

"Issuer" means Azure Finance No. 1 Plc (company number 11339072), whose registered office is at 35 Great St. Helen's, London EC3A 6AP, as issuer of the Notes.

"Issuer Accounts" means the Reserve Fund, the Cap Collateral Account and the Transaction Account (and in the case of the Transaction Account including the Issuer Profit Ledger) of the Issuer opened on or before the Signing Date and any Additional Account opened in accordance with the Bank Account Agreement, in each case with the Account Bank.

"Issuer ICSDs Agreement" means the Issuer ICSDs agreement entered into by the Issuer and the ICSDs before any Class A Notes in NSS form will be accepted by the ICSDs.

"Issuer Profit Amount" means, subject to and in accordance with the relevant Priority of Payments, a profit for the Issuer of £83.33 payable on each Interest Payment Date (£1,000 per annum) from which the Issuer will discharge its corporate income or corporation tax liability (if any).

"Issuer Profit Ledger" means a retained profit ledger of the Transaction Account of the Issuer, opened on or before the Signing Date with the Account Bank.

"Joint Lead Managers" means Citigroup Global Markets Limited and Deutsche Bank AG, London Branch.

"Legal Maturity Date" means 30 June 2027.

"Liabilities" means, in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, actions, proceedings or other liabilities whatsoever including reasonable legal fees and any taxes and penalties incurred by that person, together with any VAT charged or chargeable in respect of any of the sums referred to in this definition.

"LIBOR":

- (a) for the purposes of the Notes, has the meaning given to it in Condition 4(d) (*LIBOR determination*); and
- (b) for the purposes of the Cap Agreement, means GBP-LIBOR-BBA (as defined in the Cap Agreement).

"Loan-to-Value Ratio" means, in respect of a Receivable on the date of origination of such Receivable, the Outstanding Principal Balance of that Receivable divided by the valuation of the

Vehicle to which such Receivable relates quoted by either industry vehicle valuation service provided by CAP Automotive Limited trading as CAP or Glass's Information Services Ltd trading as Glass's on the date of origination of such Receivable, expressed as a percentage, provided that on any date of calculation only one of CAP or Glass's may be selected by the Servicer in respect of all Vehicles in respect of the Portfolio.

"Loss" means, in respect of any Person, any loss, liability, cost, expense, claim, action, suit, judgment, and out-of-pocket costs and expenses (including, without limitation, fees and expenses of any professional advisor to such Person) which such Person may have incurred or which may be made against such Person and any reasonable costs of investigation and defence.

"Master Definitions Schedule" means the master definitions schedule dated on or about the Signing Date between, *inter alios*, the Issuer, the Seller, the Servicer, the Note Trustee, the Paying Agent, the Interest Determination Agent, the Account Bank, the Cash Manager, the Registrar, the Corporate Services Provider and Holdings.

"Material Adverse Effect" means:

- (a) a material adverse effect on the validity or enforceability of any of the Transaction Documents; or
- (b) in respect of a Transaction Party, a material adverse effect on:
 - (i) the business, operations, assets property, condition (financial or otherwise) or prospects of such Transaction Party; or
 - (ii) the ability of such Transaction Party to perform its obligations under any of the Transaction Documents; or
 - (iii) the rights or remedies of such Transaction Party under any of the Transaction Documents; or
- (c) in the context of the Purchased Receivables, a material adverse effect on the interests of the Issuer or the Security Trustee in the Purchased Receivables or on the ability of the Security Trustee to enforce the Security.

"Member State" means, as the context may require, a member state of the European Union or of the European Economic Area.

"Modification" has the meaning given to that term in Condition 12(b)(ii) (*Amendments and waiver*) and Residual Certificate Condition 10(b)(ii) (*Amendments and waiver*).

"Modification Certificate" has the meaning given to that term in Condition 12(b)(ii) (*Amendments and waiver*) and Residual Certificate Condition 10(b)(ii) (*Amendments and waiver*).

"Modification Noteholder Notice" has the meaning given to that term in Condition 12(b)(ii)(11) (*Amendments and waiver*) and Residual Certificate Condition 10(b)(ii)(11) (*Amendments and waiver*).

"Modification Record Date" has the meaning given to that term in Condition 12(b)(ii)(11) (*Amendments and waiver*) and Residual Certificate Condition 10(b)(ii)(11) (*Amendments and waiver*).

"Month-end Aggregate Defaulted Receivables" means, as calculated on each Determination Date, the aggregate Outstanding Principal Balance of the Purchased Receivables that (i) have become Defaulted Receivables during the Calculation Period immediately preceding the relevant Determination Date or (ii) remain Defaulted Receivables as at the end of such Calculation Period.

"Monthly Investor Report" means the monthly investor report to be published by the Cash Manager on or prior to each Interest Payment Date on the Cash Manager's website and electronically mailed to a predefined distribution list which includes the information on the performance of the Portfolio as well

as the related information with regards to the payments to be made on the following Interest Payment Date under the Notes and the Residual Certificates, in accordance with the Cash Management Agreement, such Monthly Investor Report to be substantially in the form as set out in Schedule 3 (*Form of Monthly Investor Report*) to the Cash Management Agreement.

"Monthly Payment" means in respect of any Receivable, each of the scheduled monthly instalments payable by the relevant Obligor(s) pursuant to the related HP Agreement.

"Monthly Report" means the monthly report to be prepared by the Servicer and sent to the Issuer and the Cash Manager, with a copy to the Corporate Services Provider, the Rating Agencies and the Security Trustee, on or prior to the Reporting Date, which includes (among other things) the information on the performance of the Portfolio in relation to the Calculation Period immediately preceding the Reporting Date in accordance with the Servicing Agreement, such Monthly Report to be substantially in the form of the Monthly Report as set out in Annex 2 (*Form of Monthly Report*) to the Servicing Agreement.

"Moody's" means Moody's Investor Services Limited and any successor to the debt rating business thereof.

"Most Senior Class of Notes" means, at any time:

- (a) the Class A Notes;
- (b) if no Class A Notes are then outstanding, the Class B Notes;
- (c) if no Class A Notes or Class B Notes are then outstanding, the Class C Notes;
- (d) if no Class A Notes, Class B Notes or Class C Notes are then outstanding, the Class D Notes;
- (e) if no Class A Notes, Class B Notes, Class C Notes or Class D Notes are then outstanding, the Class X Notes;
- (f) if no Class A Notes, Class B Notes, Class C Notes, Class D Notes or Class X Notes are then outstanding, the Class E Notes; or
- (g) if no Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class X Notes or Class E Notes are then outstanding, the Residual Certificates (if at that time any Residual Certificates are then outstanding).

"NaVCIS" means the National Vehicle Crime Intelligence Service.

"Netting Letter" means the netting letter dated on or about the Closing Date between, among others, the Issuer and the Seller.

"Non-Compliant Receivable" means each Purchased Receivable in respect of which any Seller Receivables Warranty proves to have been incorrect on the date on which the relevant Seller Receivables Warranty is given and remains incorrect, or has never existed or has ceased to exist.

"Non-Compliant Receivable Repurchase Price" means, in respect of a Non-Compliant Receivable, an amount, calculated by the Servicer, equal to the sum of (i) its Receivable Deemed Initial Purchase Price, less (ii) the sum of all Principal Receipts and Revenue Receipts recovered or received by the Issuer in respect of such Non-Compliant Receivable from the Cut-Off Date to the Repurchase Date, plus (iii) any accrued and unpaid income in respect thereof as at the date of the repurchase.

"Non-Permitted Variation" means any change to an HP Agreement that relates to a Purchased Receivable which has the effect of:

- (a) reducing the Outstanding Principal Balance of the Purchased Receivable;

- (b) sanctioning any kind of payment holiday;
- (c) reducing the rate of interest payable by the Obligor or the total interest payable by the Obligor over the term of the Purchased Receivable;
- (d) extending the term of the Purchased Receivable;
- (e) reducing the total number of Monthly Payments; or
- (f) providing for a final payment greater than the amount of any Monthly Payment preceding it, disregarding any option to purchase fees,

but shall not, for the avoidance of doubt, include any action taken with respect to the Servicer's arrears management process in accordance with its Credit and Collection Procedures or pursuant to applicable law or regulation and/or the request of any competent regulatory authority.

"Non-Permitted Variation Receivable" means a Purchased Receivable in respect of which the Servicer has agreed or, prior to the end of the immediately following Calculation Period, will agree to a Non-Permitted Variation.

"Non-Permitted Variation Receivable Repurchase End Date" means, in respect of a Non-Permitted Variation Receivable, the last day of the Calculation Period immediately following the Calculation Period in which the relevant Non-Permitted Variation occurs.

"Non-Permitted Variation Receivable Repurchase Price" means, in respect of a Non-Permitted Variation Receivable, an amount, calculated by the Servicer, equal to the sum of (i) its Receivable Deemed Initial Purchase Price, less (ii) the sum of all Principal Receipts and Revenue Receipts recovered or received by the Issuer in respect of such Non-Permitted Variation Receivable from the Cut-Off Date to the Repurchase Date, plus (iii) any accrued and unpaid income in respect thereof as at the date of the repurchase.

"Non-Permitted Variation Receivables Call Option" means the call option granted to the Seller pursuant to clause 8.3 (*Non-Permitted Variation Receivables Call Option*) of the Receivables Sale and Purchase Agreement, under which the Seller, prior to the occurrence of an Insolvency Event in respect of the Seller, has the right to repurchase from the Issuer any Non-Permitted Variation Receivable.

"Note Acceleration Notice" means the written notice served by the Note Trustee on the Issuer upon the occurrence of an Event of Default, with a copy to each of the Secured Creditors and the Rating Agencies in accordance with the Trust Deed.

"Note Rate Maintenance Adjustment" has the meaning given to that term in Condition 12(b)(ii)(11)(E) (*Amendments and waiver*) and Residual Certificate Condition 10(b)(ii)(11)(E) (*Amendments and waiver*).

"Note Trustee" means Citicorp Trustee Company Limited, including its successors and assigns.

"Noteholder" or **"Holder"** means the person in whose name such Note is registered at that time in the Register or, in the case of a joint holding, the first named person; provided that, so long as any of the Notes are represented by a Global Note, the term **"Noteholder"** or **"Holder"** will include the persons for the time being set out in the records of Euroclear and/or Clearstream, Luxembourg, as the holders of a particular principal amount of such Notes in units of £1,000 principal amount of Notes for all purposes other than in respect of the payment of principal and interest on such Notes, the right to which will be vested as against the Issuer solely in the Holder of each Global Note in accordance with and subject to its terms.

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

"NSS" means the new safekeeping structure applicable to debt securities in global registered form recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations since 1 October 2010.

"Obligor(s)" means, in respect of a Purchased Receivable, a Person or Persons (including consumers and businesses) obliged directly or indirectly to make payments in respect of such Receivable, including any person who has guaranteed the obligations in respect of such Receivable but excluding (for the avoidance of doubt) any Insurer.

"Obligor Insurance" means the insurance taken out by an Obligor in respect of a Vehicle as required by the terms of the related HP Agreement.

"Obligor Ledger" means the ledger account established by the Servicer in respect of each HP Agreement for the purposes of identifying amounts paid by each Obligor, any amount due from an Obligor and the balance from time to time outstanding on each Obligor's account.

"Ordinary Resolution" means, in respect of the holders of any Class of Notes or the Certificateholders, a resolution passed at a meeting of such Class of Noteholders or the Residual Certificates (as applicable) duly convened and held in accordance with the Trust Deed by more than 50% of the eligible persons voting thereat on a show of hands or, if a poll is duly demanded, by a simple majority of the votes cast on such poll.

"outstanding" means, for any Class, all the Notes of that Class issued other than:

- (a) those which have been redeemed in accordance with their Conditions;
- (b) those in respect of which the due date for redemption has occurred in accordance with their Conditions and the redemption moneys and interest accrued thereon to the due date of such redemption and any interest payable after such date have been paid to the Note Trustee or to the Paying Agent in the manner provided in the Agency Agreement and remain available for payment against presentation and surrender of the relevant Notes;
- (c) those in respect of which claims have become void under their Conditions;
- (d) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued under their Conditions;
- (e) (for the purpose only of ascertaining the amount of a Class that is outstanding and without prejudice to their status for any other purpose) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued under their Conditions; and
- (f) any Global Note to the extent that it has been exchanged for the related Definitive Notes in each case under their respective provisions;

provided that for each of the following purposes, namely:

- (i) the determination of how many of which Notes of a Class are for the time being outstanding for the purposes of any provisions of their Conditions and the Trust Deed requiring calculation of the proportion of Noteholders of such Class requesting or directing the Note Trustee to enforce the security for such Class, or the provisions for meetings of the Noteholders of such Class set out in the Trust Deed;
- (ii) any discretion, power or authority which the Note Trustee is required or permitted, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders of such Class or any of them; and

- (iii) the determination by the Note Trustee whether, in its opinion, any event, circumstance, matter or thing is or would be materially prejudicial to the interests of the Noteholders or any of them,

those Notes of the relevant Class, if any, which are beneficially held by or for the account of the Issuer or the Seller will be deemed not to remain outstanding.

"Outstanding Principal Balance" means, on any date and with respect to each Purchased Receivable, the Principal Element outstanding under the related HP Agreement as shown on the relevant computer system (on the assumption that the Servicer has complied with obligations under the Servicing Agreement).

"Outstanding Note Principal Amount" means with respect to any Interest Payment Date the principal amount of any Note (rounded, if necessary, to the nearest GBP 0.01 with GBP 0.005 being rounded upwards) equal to the initial principal amount of such Note (as at the Closing Date) as, on or before such Interest Payment Date, reduced by all amounts paid in respect of principal on such Note prior to or on such Interest Payment Date.

"Paying Agent" means Citibank, N.A., London Branch, any successor thereof or any other Person appointed as replacement paying agent from time to time in accordance with the Agency Agreement.

"PCP Contract" means a hire purchase contract which provides for a balloon payment calculated by reference to guaranteed future value of the related Vehicle and under which an Obligor may at the end of the contract (a) make a final balloon payment and take title of the Vehicle or (b) return the Vehicle financed under such contract in lieu of making such final balloon payment.

"Perfection Event" means the occurrence of any of the following events:

- (a) the Seller being required to perfect the Issuer's legal title to the Purchased Receivables (or procure the perfection of the Issuer's legal title to the Purchased Receivables) by an order of a court of competent jurisdiction or by any regulatory authority of which the Seller is a member or any organisation with whose instructions it is customary for the Seller to comply;
- (b) it becoming necessary by law to perfect the Issuer's legal title to the Purchased Receivables (or procure the perfection of the Issuer's legal title to the Purchased Receivables);
- (c) unless otherwise agreed by the Security Trustee, the occurrence of a Servicer Termination Event;
- (d) the Seller calling for perfection by serving notice in writing to that effect on the Issuer, the Note Trustee and the Security Trustee; and
- (e) the occurrence of an Insolvency Event in respect of the Seller.

"Perfection Event Notice" means in respect of a Purchased Receivable a notice sent to the Obligors of the Purchased Receivable stating that such Purchased Receivable has been assigned by the Seller to the Issuer pursuant to the Receivables Sale and Purchase Agreement and instructing the Obligors to make payments to the Transaction Account or any other account compliant with the Transaction Document and shall be in a form substantially as set out in Schedule 5 (*Perfection Event Notice*) to the Receivables Sale and Purchase Agreement.

"Permitted Exceptions" means any of the following payments to be paid outside of the Priority of Payments by the Issuer:

- (a) any payment or delivery to be made by the Issuer under the Credit Support Annex including any Excess Cap Collateral which will be due and payable only to the extent of amounts in the Cap Collateral Account and which shall be repaid to the Cap Provider outside of the Priority of Payments;

- (b) any upfront payment to any replacement Cap Provider under the Cap Agreement (which will be paid directly to such replacement Cap Provider);
- (c) any due and payable taxes owed by the Issuer;
- (d) any Cap Tax Credits which will be returned directly to the Cap Provider; and
- (e) any Replacement Cap Premium (only to the extent it is applied to pay a Cap Termination Payment due and payable by the Issuer to the outgoing Cap Provider).

"Permitted Revenue Withdrawal" means a withdrawal from the Transaction Account by the Cash Manager (as directed by the Seller) pursuant to clause 4.3 (*Withdrawals and Permitted Revenue Withdrawals*) of the Cash Management Agreement in respect of the Excess Recoveries Amount, Excess Amounts or Excluded Amounts, in any Calculation Period up to a maximum aggregate amount equal to the Revenue Receipts received in such Calculation Period.

"Permitted Variations" means any Variation which is made in accordance with the terms of the relevant HP Agreement and the applicable Credit and Collection Procedures and which is not a Non-Permitted Variation.

"Person" means an individual, partnership, corporation (including a business trust), unincorporated association, trust, joint stock company, limited liability company, joint venture or other entity, or a government or political subdivision, agency or instrumentality thereof.

"Portfolio" means, at any time, all Purchased Receivables and all other assets and rights relating to the related HP Agreements purported to be transferred or granted to the Issuer pursuant to the Receivables Sale and Purchase Agreement on the Closing Date.

"Post-Acceleration Priority of Payments" means the priority of payments set out in Condition 2(g) (*Post-Acceleration Priority of Payments*) and Residual Certificate Condition 2(f) (*Post-Acceleration Priority of Payments*).

"Potential Event of Default" means an event or circumstance that will with the giving of notice, lapse of time, issue of a certificate and/or fulfilment of any other requirement become an Event of Default.

"Pre-Acceleration Principal Priority of Payments" means the priority of payments set out in Condition 2(e) (*Pre-Acceleration Principal Priority of Payments*).

"Pre-Acceleration Priorities of Payments" means the Pre-Acceleration Revenue Priority of Payments and the Pre-Acceleration Principal Priority of Payments.

"Pre-Acceleration Revenue Priority of Payments" means the priority of payments set out in Condition 2(d) (*Pre-Acceleration Revenue Priority of Payments*) and Residual Certificate Condition 2(d) (*Pre-Acceleration Revenue Priority of Payments*).

"Preliminary Prospectus" means each of the Prospectus issued by the Issuer in preliminary form dated 26 June 2018 and the Prospectus issued by the Issuer in preliminary form dated 5 July 2018.

"Premium Element Purchase Price" means the premium element of the Purchase Price equal to the Aggregate Outstanding Principal Balance of the Receivables on the Cut-Off Date multiplied by the Premium Element Purchase Price Percentage.

"Premium Element Purchase Price Percentage" means 12.0%.

"Principal Deficiency Ledger" means the ledger of such name maintained by the Cash Manager in accordance with the Cash Management Agreement comprising five sub-ledgers, the Principal Deficiency Sub-ledger (Class A), the Principal Deficiency Sub-ledger (Class B), the Principal Deficiency Sub-ledger (Class C), the Principal Deficiency Sub-ledger (Class D) and the Principal Deficiency Sub-ledger (Class E) as sub-ledgers.

"Principal Deficiency Sub-ledger (Class A)" means a sub-ledger on the Principal Deficiency Ledger in respect of the Class A Notes maintained by the Cash Manager in accordance with the Cash Management Agreement.

"Principal Deficiency Sub-ledger (Class B)" means a sub-ledger on the Principal Deficiency Ledger in respect of the Class B Notes maintained by the Cash Manager in accordance with the Cash Management Agreement.

"Principal Deficiency Sub-ledger (Class C)" means a sub-ledger on the Principal Deficiency Ledger in respect of the Class C Notes maintained by the Cash Manager in accordance with the Cash Management Agreement.

"Principal Deficiency Sub-ledger (Class D)" means a sub-ledger on the Principal Deficiency Ledger in respect of the Class D Notes maintained by the Cash Manager in accordance with the Cash Management Agreement.

"Principal Deficiency Sub-ledger (Class E)" means a sub-ledger on the Principal Deficiency Ledger in respect of the Class E Notes maintained by the Cash Manager in accordance with the Cash Management Agreement.

"Principal Element" means, in relation to each Receivable, the principal amount of that Receivable, calculated in accordance with the Credit and Collection Procedures.

"Principal Element Purchase Price" means the Aggregate Outstanding Principal Balance of the Receivables on the Cut-Off Date.

"Principal Receipts" means:

- (a) the Principal Element of Purchased Receivables (other than Purchased Receivables that have become Defaulted Receivables and Voluntarily Terminated Receivables); and
- (b) any other amounts received by the Issuer in respect of the Purchased Receivables which relate to the Principal Element of such Receivables (including, but not limited to, any amount relating to the Principal Element received by the Issuer in respect of the Non-Compliant Receivable Repurchase Price, the Final Repurchase Price, the CCA Compensation Payment, the Receivables Indemnity Amount, the Non-Permitted Variation Receivable Repurchase Price and the Tax Redemption Repurchase Price),

less the Principal Element of all payments that have been revoked (including payments not honoured by the Obligor's paying bank) in respect of Purchased Receivables.

"Priority of Payments" means either the Pre-Acceleration Priorities of Payments or the Post-Acceleration Priority of Payments (as applicable).

"Prospectus" means the prospectus dated 9 July 2018 prepared in connection with the issue by the Issuer of the Notes.

"Prospectus Directive" means Directive 2003/71/EC, as amended by Directive 2010/73/EU.

"Provisional Portfolio" means the provisional portfolio of Receivables as at the Provisional Cut-Off Date.

"Purchased Receivables" means any Receivable (together with its Ancillary Rights) purchased by the Issuer pursuant to the Receivables Sale and Purchase Agreement which has neither been paid in full by or on behalf of the Obligor nor repurchased by the Seller pursuant to the Receivables Sale and Purchase Agreement.

"Purchased Receivable Records" means:

- (a) all agreements, files, microfiles, correspondence, notes of dealing and other documents, books, books of account, registers, records and other information;
- (b) all computer tapes and discs specifying, among other things, Obligor details and the amount and dates on which payments are due and are paid under the HP Agreements; and
- (c) all computer programs, data processing software and related intellectual property rights,

in each case relating to the Purchased Receivables and/or the related Obligors and by or under the control and disposition of the Servicer or the Seller, as applicable.

"Purchase Price" means the purchase price, being £408,777,993.99 which will be equal to the aggregate of (1) the Principal Element Purchase Price and (2) the Premium Element Purchase Price.

"Rating Agencies" means S&P and Moody's.

"Rating Agency Confirmation" means, a confirmation in writing by the relevant Rating Agencies that the then current ratings of the Most Senior Class of Notes will not be downgraded, qualified or withdrawn as a result of the relevant event or matter provided that if: (a) a confirmation or affirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction Document; and (b) a written request for such confirmation affirmation or response is delivered to that Rating Agency by any of the Issuer, the Cash Manager, the Servicer, the Cap Provider (in respect of a Rating Agency Confirmation requested pursuant to the provisions of the Cap Agreement only) and/or the Note Trustee, as applicable (each a "Requesting Party") and one or more of the Rating Agencies (each a "Non-Responsive Rating Agency") indicates that it does not consider such confirmation, affirmation or response necessary in the circumstances, the Requesting Party shall be entitled to disregard the requirement for a confirmation or affirmation of rating or other response by each Non-Responsive Rating Agency which provides such indication and proceed on the basis of the confirmations or affirmations of rating or other responses received by each other Rating Agency or, if all the Rating Agencies indicate that they do not consider such confirmation, affirmation or response necessary in the circumstances, on the basis that such confirmation or affirmation of rating or other response by a Rating Agency is not required in the particular circumstances of the request. If a Rating Agency does not respond to a written request for a confirmation or affirmation of rating such non response shall not be interpreted to mean that such Rating Agency has given any deemed confirmation or affirmation of rating or other response in respect of such action or step or any deemed indication that it does not consider such confirmation, affirmation or response necessary in the circumstances, provided that in the event of a non-response from all Rating Agencies, the Requesting Party will be entitled to proceed on the basis that such confirmation or affirmation of rating or other response by a Rating Agency is not required in the particular circumstances of the request.

"Recast Insolvency Regulation" means the Regulation (EU) No 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast).

"Receivable" means any and all claims and rights of the Seller, present and future, absolute or contingent, to payment from the Obligor under an HP Agreement (but excluding any Excluded Amounts).

"Receivable Deemed Initial Purchase Price" means:

- (a) in respect of a Non-Compliant Receivable, an amount, calculated by the Servicer, equal to the Outstanding Principal Balance of such Non-Compliant Receivable as at the Cut-Off Date multiplied by the Premium Element Purchase Price Percentage;
- (b) in respect of a Purchased Receivable which has never existed, or has ceased to exist, the Outstanding Principal Balance of such Purchased Receivable as at the Cut-Off Date (had the Purchased Receivable existed and complied with each of the Seller Receivables Warranties as at the Closing Date) multiplied by the Premium Element Purchase Price Percentage;

- (c) in respect of a Non-Permitted Variation Receivable, an amount, calculated by the Servicer, equal to the Outstanding Principal Balance of such Non-Permitted Variation Receivable as at the Cut-Off Date multiplied by the Premium Element Purchase Price Percentage; and
- (d) in respect of a Tax Redemption Receivable, an amount, calculated by the Servicer, equal to the Outstanding Principal Balance of such Tax Redemption Receivable as at the Cut-Off Date multiplied by the Premium Element Purchase Price Percentage.

"Receivables Indemnity Amount" means, where a Purchased Receivable has never existed, or has ceased to exist, such that it is not outstanding on the Repurchase Date, an amount equal to the sum of: (i) the Receivable Deemed Initial Purchase Price of that Purchased Receivable, minus (ii) the sum of all Principal Receipts and Revenue Receipts recovered or received in respect of such Purchased Receivable from the Cut-Off Date to the date on which the Receivables Indemnity Amount is paid, plus (iii) a deemed amount of accrued income on the relevant Purchased Receivable calculated on the basis of the APR stated in the loan level data for such Purchased Receivable and determined as at the date on which the Receivables Indemnity Payment is made.

"Receivables Listing" means the details of the Purchased Receivables which shall be contained in the Sale Notice.

"Receivables Sale and Purchase Agreement" means the receivables sale and purchase agreement between, *inter alios*, the Seller, the Issuer, and the Security Trustee on or about the Signing Date, under which the Seller sells and assigns the Purchased Receivables to the Issuer.

"Receiver" or **"receiver"** means any receiver (including a receiver under the Law of Property Act 1925), receiver and manager or administrative receiver or any analogous officer in any jurisdiction (who in the case of an administrative receiver is a qualified person in accordance with the Insolvency Act 1986) and who is appointed by the Security Trustee under the Deed of Charge in respect of the security and includes more than one such receiver and any substituted receiver.

"Reconciliation Amount" means in respect of any Calculation Period (a) the actual Principal Receipts as determined in accordance with the available Monthly Reports, less (b) the Calculated Principal Receipts in respect of such Calculation Period, plus (c) any Reconciliation Amount not applied in previous Calculation Periods.

"Recovery Collections" means all amounts received by the Servicer during the relevant Calculation Period in respect of, or in connection with, any Purchased Receivable after the date such Purchased Receivable became a Defaulted Receivable (provided that such Defaulted Receivable has not been written off in total) including, for the avoidance of doubt, principal, interest, damages, reminder fees, past due interest and any other payment, by or for the account of the relevant Obligor minus all Excluded Amounts and all out of pocket expenses paid to third parties and incurred by the Servicer in connection with the collection and enforcement of the Defaulted Receivable in line with the Credit and Collection Procedures of the Servicer and excluding any VAT rebate thereon.

"Reference Banks" means four major banks in the London interbank market selected by the Issuer and notified to the Interest Determination Agent.

"Register" means the register kept at the specified office of the Registrar on which will be entered the names and addresses of the holders of the Notes and the Residual Certificates and the particulars of such Notes and the Residual Certificates held by them and all transfers and redemptions of such Notes and the Residual Certificates.

"Registrar" means Citibank, N.A., London Branch, acting through its office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

"Regulated HP Agreements" means the HP Agreements which are regulated by the CCA.

"Relevant Date" means the date falling 10 years after the Legal Maturity Date.

"Replacement Cap Premium" means an amount received by the Issuer from a replacement Cap Provider upon entry by the Issuer into an agreement with such replacement Cap Provider to replace the outgoing Cap Provider, which will be applied by the Issuer in accordance with the Cash Management Agreement and the Deed of Charge.

"Replacement Cash Manager" means the replacement cash manager appointed pursuant to the terms of the Cash Management Agreement.

"Replacement Servicing Agreement" means (as applicable):

- (a) the replacement servicing agreement set out in Schedule 2 (*Replacement Servicing Agreement*) to the Standby Servicer Agreement, expressed to be between the Standby Servicer, the Seller, the Note Trustee and the Security Trustee and which such parties will enter into, or be deemed by the terms of the Standby Servicer Agreement to enter into, on the Standby Servicer Succession Date; or
- (b) the replacement servicing agreement entered into between, among others, the Issuer and any replacement Servicer (other than the Standby Servicer).

"Replacement Trigger" means the delivery by the Issuer or the Security Trustee of written notice to the Servicer terminating its appointment pursuant to clause 16.1 (*Servicer Termination Events*) of the Servicing Agreement following the occurrence of a Servicer Termination Event or, in the case of an Insolvency Event occurring in respect of the Servicer, the automatic termination of the Servicer's appointment under the Servicing Agreement.

"Reporting Date" means the 5th Business Day preceding the relevant Interest Payment Date.

"Repurchase Date" means the date on which a Purchased Receivable is repurchased by the Seller pursuant to the Receivables Sale and Purchase Agreement or, in respect of any Purchased Receivable which has never existed, or ceases to exist, such that it is not outstanding on the date on which it would otherwise be due to be so repurchased, the date on which it would otherwise be due to be repurchased pursuant to the Receivables Sale and Purchase Agreement had such Purchased Receivable existed.

"Required Ratings" means with respect to the Account Bank or any guarantor of the Account Bank:

- (a) a long term rating of "A" together with a short term rating of A-1 from S&P; and
- (b) a short-term rating of at least "P-1" and a long-term rating of at least "A2" from Moody's or, if such entity is only subject to a short-term rating from Moody's or a long-term rating from Moody's, a short-term rating of at least "P-1" or long-term rating of at least "A2" from Moody's,

or such other rating or ratings as may be agreed by the relevant Rating Agency from time to time as would maintain the then current ratings of the Notes.

"Reserve Fund" means the general reserve account of the Issuer opened on or before the Signing Date with the Account Bank or any successor account.

"Reserve Fund Excess Amount" means, on any Interest Payment Date, the amount (not less than zero) equal to (i) the amount standing to the credit of the Reserve Fund on such Interest Payment Date (before the application of the Pre-Acceleration Revenue Priority of Payments) less the Reserve Fund Release Amount to be applied on such Interest Payment Date less (ii) the Reserve Fund Required Amount on the immediately preceding Calculation Date.

"Reserve Fund Ledger (Class A)" means the ledger of the same name maintained by the Cash Manager in accordance with the Cash Management Agreement.

"Reserve Fund Ledger (Class B)" means the ledger of the same name maintained by the Cash Manager in accordance with the Cash Management Agreement.

"Reserve Fund Ledger (Class C)" means the ledger of the same name maintained by the Cash Manager in accordance with the Cash Management Agreement.

"Reserve Fund Ledger (Class D)" means the ledger of the same name maintained by the Cash Manager in accordance with the Cash Management Agreement.

"Reserve Fund Ledger (Class E)" means the ledger of the same name maintained by the Cash Manager in accordance with the Cash Management Agreement.

"Reserve Fund Release Amount" means, on any Calculation Date, an amount equal to the lesser of:

- (a) the amount standing to the credit of the Reserve Fund on such Calculation Date; and
- (b) the amount of the Interest Collection Shortfall on such Calculation Date.

"Reserve Fund Required Amount" means in respect of any Interest Payment Date, an amount equal to the aggregate of the Reserve Fund Required Amount (Class A), the Reserve Fund Required Amount (Class B), the Reserve Fund Required Amount (Class C), the Reserve Fund Required Amount (Class D) and the Reserve Fund Required Amount (Class E), calculated as at the immediately preceding Calculation Date.

"Reserve Fund Required Amount (Class A)" means:

- (a) in respect of any Interest Payment Date, calculated as at the immediately preceding Calculation Date, the earlier to occur of (X) up to and including (1) the Final Class A Interest Payment Date (unless the Clean-Up Call is exercised on such date), (2) the Legal Maturity Date, (3) the date on which the Aggregate Outstanding Principal Balance is zero, (Y) up to but excluding the Interest Payment Date on which the Clean-Up Call is exercised and (Z) the service of a Note Acceleration Notice on the Issuer by the Note Trustee, an amount equal to the greater of
 - (i) 2.10% of the aggregate Outstanding Note Principal Amount of the Class A Notes as at Calculation Date; and
 - (ii) £200,000; and
- (b) thereafter, £0.

"Reserve Fund Required Amount (Class B)" means:

- (a) in respect of any Interest Payment Date, calculated as at the immediately preceding Calculation Date, the earlier to occur of (X) up to and including (1) the Final Class B Interest Payment Date (unless the Clean-Up Call is exercised on such date), (2) the Legal Maturity Date, (3) the date on which the Aggregate Outstanding Principal Balance is zero, (Y) up to but excluding the Interest Payment Date on which the Clean-Up Call is exercised and (Z) the service of a Note Acceleration Notice on the Issuer by the Note Trustee, an amount equal to 1.00% of the aggregate Outstanding Note Principal Amount of the Class B Notes as at such Calculation Date; and
- (b) thereafter, £0.

"Reserve Fund Required Amount (Class C)" means:

- (a) in respect of any Interest Payment Date, calculated as at the immediately preceding Calculation Date, the earlier to occur of (X) up to and including (1) the Final Class C Interest Payment Date (unless the Clean-Up Call is exercised on such date), (2) the Legal Maturity

Date, (3) the date on which the Aggregate Outstanding Principal Balance is zero, (Y) up to but excluding the Interest Payment Date on which the Clean-Up Call is exercised and (Z) the service of a Note Acceleration Notice on the Issuer by the Note Trustee, an amount equal to 1.00% of the aggregate Outstanding Note Principal Amount of the Class C Notes as at such Calculation Date; and

(b) thereafter, £0.

"Reserve Fund Required Amount (Class D)" means:

(a) in respect of any Interest Payment Date, calculated as at the immediately preceding Calculation Date, the earlier to occur of (X) up to and including (1) the Final Class D Interest Payment Date (unless the Clean-Up Call is exercised on such date), (2) the Legal Maturity Date, (3) the date on which the Aggregate Outstanding Principal Balance is zero, (Y) up to but excluding the Interest Payment Date on which the Clean-Up Call is exercised and (Z) the service of a Note Acceleration Notice on the Issuer by the Note Trustee, an amount equal to 1.00% of the aggregate Outstanding Note Principal Amount of the Class D Notes as at such Calculation Date; and

(b) thereafter, £0.

"Reserve Fund Required Amount (Class E)" means:

(a) in respect of any Interest Payment Date, calculated as at the immediately preceding Calculation Date, the earlier to occur of (X) up to and including (1) the Final Class E Interest Payment Date (unless the Clean-Up Call is exercised on such date), (2) the Legal Maturity Date, (3) the date on which the Aggregate Outstanding Principal Balance is zero, (Y) up to but excluding the Interest Payment Date on which the Clean-Up Call is exercised and (Z) the service of a Note Acceleration Notice on the Issuer by the Note Trustee, an amount equal to 1.00% of the aggregate Outstanding Note Principal Amount of the Class E Notes as at such Calculation Date; and

(b) thereafter, £0.

"Residual Certificates" means the residual certificates which are constituted by the Trust Deed and issued on the Closing Date by the Issuer.

"Residual Certificate Book-Entry Interests" means the beneficial interests in the Global Residual Certificate.

"Residual Certificate Payment" means:

(a) prior to the delivery of a Note Acceleration Notice, in respect of each Interest Payment Date, the amount (if any) by which Available Revenue Receipts exceed the amounts required to satisfy items (a) to (u) of the Pre-Acceleration Revenue Priority of Payments on that Interest Payment Date; and

(b) following the delivery of a Note Acceleration Notice, in respect of each date on which amounts are to be applied in accordance with the Post-Acceleration Priority of Payments, the amount by which amounts available for payment in accordance with the Post-Acceleration Priority of Payments exceed the amounts required to satisfy items (a) to (i) of the Post-Acceleration Priority of Payments on that date.

"Residual Certificate Payment Amount" means, for a Residual Certificate on any date on which amounts are to be applied in accordance with the applicable Priority of Payments, the Residual Certificate Payment for that date, divided by the number of Residual Certificates then in issue.

"Revenue Receipts" means all amounts comprising of:

- (a) the Income Element of the Purchased Receivables (other than Purchased Receivables that have become Defaulted Receivables or Voluntarily Terminated Receivables);
- (b) any amounts received by the Issuer in respect of any Defaulted Receivables and Voluntarily Terminated Receivables (including, but not limited to any, Defaulted Receivables Payments) and all Vehicle Sale Proceeds in relation to such Receivables;
- (c) any amount received by the Issuer in respect of any CCA Compensation Payments, Receivables Indemnity Amounts, Final Repurchase Price, Non-Compliant Receivable Repurchase Price, Non-Permitted Variation Receivable Repurchase Price and Tax Redemption Repurchase Price, in each case to the extent that the same represents a payment in respect of the Income Element of the Purchased Receivables; and
- (d) any other amounts (other than Excluded Amounts) received by the Issuer in respect of the Purchased Receivables which is not in respect of the Principal Element of such Purchased Receivables,

less the Income Element of all payments that have been revoked (including payments not honoured by the Obligor's paying bank) in respect of Purchased Receivables.

"Risk Tier 1 HP Agreement" means an HP Agreement which is categorised, as at the relevant origination date, on the systems of the Seller with a risk tier of "1" in accordance with the Seller's Credit and Collection Procedures.

"Risk Tier 2 HP Agreement" means an HP Agreement which is categorised, as at the relevant origination date, on the systems of the Seller with a risk tier of "2" in accordance with the Seller's Credit and Collection Procedures.

"Risk Tier 3 HP Agreement" means an HP Agreement which is categorised, as at the relevant origination date, on the systems of the Seller with a risk tier of "3" in accordance with the Seller's Credit and Collection Procedures.

"Risk Tier 4 HP Agreement" means an HP Agreement which is categorised, as at the relevant origination date, on the systems of the Seller with a risk tier of "4" in accordance with the Seller's Credit and Collection Procedures.

"Risk Tier 5 HP Agreement" means an HP Agreement which is categorised, as at the relevant origination date, on the systems of the Seller with a risk tier of "5" in accordance with the Seller's Credit and Collection Procedures.

"Risk Tier 6 HP Agreement" means an HP Agreement which is categorised, as at the relevant origination date, on the systems of the Seller with a risk tier of "6" in accordance with the Credit and Collection Procedures.

"Risk Tier 7 HP Agreement" means an HP Agreement which is categorised, as at the relevant origination date, on the systems of the Seller with a risk tier of "7" in accordance with the Credit and Collection Procedures.

"Risk Tier 8 HP Agreement" means an HP Agreement which is categorised, as at the relevant origination date, on the systems of the Seller with a risk tier of "8" in accordance with the Credit and Collection Procedures.

"S&P" and **"Standard and Poor's"** means Standard and Poor's Credit Market Services Europe Limited, a subsidiary of the McGraw-Hill Companies, Inc. and any successor to the debt rating business thereof.

"S&P First Required Rating" means the S&P Option 1 First Required Rating or the S&P Option 2 First Required Rating, as the context requires each as defined in the Cap Agreement, which is currently "A-" and "A" respectively.

"S&P Option 1" shall have the meaning given to it in the Cap Agreement.

"S&P Option 2" shall have the meaning given to it in the Cap Agreement.

"S&P Option 3" shall have the meaning given to it in the Cap Agreement.

"S&P Option 3 Required Rating" shall have the meaning given to it in the Cap Agreement, which is currently "A".

"S&P Option 4" shall have the meaning given to it in the Cap Agreement.

"S&P Option 4 Required Rating" shall have the meaning given to it in the Cap Agreement, which is currently "A+."

"S&P Second Required Rating" means the S&P Option 1 Second Required Rating or the S&P Option 2 Second Required Rating, as the context requires each as defined in the Cap Agreement, which are currently "BBB+" and "A-", respectively.

"Sale Notice" means the notice of the sale of Receivables substantially in the form of Appendix 4 (*Form of Sale Notice*) of the Receivables Sale and Purchase Agreement.

"Scottish Supplemental Charge" means the assignment in security granted by the Issuer in respect of its beneficial interest in the Vehicle Declaration of Trust pursuant to clause 3.7 (*Scottish Security*) of the Deed of Charge.

"Secured Creditors" means the Noteholders, the Certificateholders, Corporate Services Provider, the Cash Manager, the Account Bank, the Cap Provider, the Paying Agent, the Interest Determination Agent, the Registrar, the Joint Lead Managers, the Note Trustee, the Security Trustee, the Seller, the Servicer (if different to the Seller) and the Standby Servicer.

"Secured Obligations" means all duties and liabilities (present and future, actual and contingent) of the Issuer which the Issuer has covenanted with the Security Trustee to pay to the Noteholders and Certificateholders and the other Secured Creditors pursuant to clause 2.2 (*Covenant to Pay*) of the Deed of Charge.

"Securitisation Regulation" means Regulation (EU) 2017/2402.

"Security" means all Adverse Claims from time to time created by the Issuer in favour of the Security Trustee (and also for the benefit of the Secured Creditors) pursuant to the Deed of Charge.

"Security Trustee" means Citicorp Trustee Company Limited, including its successors and assigns.

"Seller" means BMFL.

"Seller Collection Account" means an account held with the Collection Account Bank in the name of BMFL into which Obligors are directed to make prepayments and certain other exceptional payments in respect of the Purchased Receivables.

"Seller Collection Account Declaration of Trust" means the trust declared by BMFL on or about the Closing Date in favour of, among others, the Issuer over the aggregate amount standing to the credit of the Seller Collection Account which relates to Purchased Receivables.

"Seller Power of Attorney" means the power of attorney granted in favour of the Issuer pursuant to the Receivables Sale and Purchase Agreement.

"Seller Receivables Warranties" means the warranties given by the Seller in respect of the Purchased Receivables as set out in clause 7.2 (*Seller Receivables Warranties*) of the Receivables Sale and Purchase Agreement.

"Senior Expenses" means, as at each Calculation Date or on any other date of determination, the amounts due (including any indemnity claims) or to become due prior to the related Interest Payment Date or other date of payment:

- (a) to the Security Trustee or any Receiver appointed by it on or prior to such Interest Payment Date under the Deed of Charge;
- (b) to the Corporate Services Provider under the Corporate Services Agreement;
- (c) to the Registrar under the Agency Agreement;
- (d) to the Account Bank under the Bank Account Agreement;
- (e) to the Cash Manager under the Cash Management Agreement;
- (f) to the Servicer under the Servicing Agreement (including the Servicing Fee);
- (g) to the Standby Servicer under the Standby Servicer Agreement;
- (h) to any administrator or liquidator of the Issuer any Incentive Fee including any administrator or liquidator's costs and expenses in selling such Vehicle, to the extent the Seller does not retain the same from the relevant Vehicle Sale Proceeds; and
- (i) to any party who is not a party to any Transaction Document to whom the Issuer has delegated obligations in respect of EMIR (including any reporting or portfolio reconciliation obligations) or in respect of any agreements relating to EMIR.

"Servicer" means BMFL or at any time the Person then authorised pursuant to the Servicing Agreement to service, administer and collect the Purchased Receivables.

"Servicer Termination Event" means the occurrence of any of the following events:

- (a) an Insolvency Event occurs in respect of the Servicer;
- (b) the Servicer fails to pay any amount due under the Servicing Agreement on the due date or on demand, if so payable, or to direct any movement of collections as required under the Servicing Agreement and the other Transaction Documents, and such failure has continued unremedied for a period of 7 Business Days after written notice of the same has been received by the Servicer or discovery of such failure by the Servicer;
- (c) the Servicer (i) fails to observe or perform in any respect any of its covenants and obligations under or pursuant to the Servicing Agreement or any other Transaction Document to which it is a party (other than as referred to in paragraph (b) above and paragraph (ii) of this paragraph (c)) and such failure results in a Material Adverse Effect on the Purchased Receivables and continues unremedied for a period of 60 calendar days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer or (ii) fails to maintain its authorisations and permissions under the FSMA or any other regulatory licence or approval required under the terms of the Servicing Agreement and such failure continues unremedied for a period of 60 calendar days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer; or
- (d) any of the representations or warranties given by the Servicer pursuant to the Servicing Agreement or any other Transaction Document to which it is a party or in any report provided by the Seller or the Servicer prove to be untrue, incomplete or inaccurate and such default

results in a Material Adverse Effect on the Purchased Receivables and (if capable of remedy) continues unremedied for a period of 60 calendar days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer.

"Servicing Agreement" means the servicing agreement entered into between the Issuer, the Servicer and the Security Trustee on or about the Signing Date.

"Servicing Fee" means the servicing fee of 1.00% per annum of the Aggregate Outstanding Principal Balance payable by the Issuer to the Servicer pursuant to, and in accordance with, the Servicing Agreement.

"Set-off Receivable" means any Receivable in respect of which the Obligor has exercised a right of set-off which has resulted in the Seller receiving less in respect of the Receivable than was due (but for such set-off) pursuant to Sections 56, 75 and 75A of the CCA and the SGITA.

"Signing Date" means 10 July 2018.

"SGITA" means The Supply of Goods (Implied Terms) Act 1973.

"Solvency II Regulation" means Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

"Standard Documentation" or **"Standard Documents"** means the forms of the standard documents used by the Seller in originating HP Agreements to be appended to the Receivables Sale and Purchase Agreement (including any data tape or computer disk containing such agreements) and any revised or substitute form.

"Standby Servicer" means The Nostrum Group Ltd t/a Equiniti Credit Services.

"Standby Servicer Agreement" means the standby servicer agreement entered into by the Issuer, the Standby Servicer, the Servicer, the Note Trustee and the Security Trustee on or about the Signing Date.

"Standby Servicer Succession Date" means the date on which the Standby Servicer assumes responsibility under the Replacement Servicing Agreement for performing the services thereunder following completion of the procedures and within the timeframe contemplated by the Standby Servicer Agreement.

"Subscription Agreement" means the subscription agreement entered into by the Issuer, the Seller, the Joint Lead Managers and the Security Trustee on or about the Signing Date, under which the Joint Lead Managers have agreed, subject to certain customary issue conditions, to subscribe for the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, and BMFL has agreed, subject to certain customary issue conditions, to purchase the Class E Notes, the Residual Certificates, Class X Notes.

"Surplus Available Principal Receipts" means Available Principal Receipts to be applied as Available Revenue Receipts in accordance with item (f) of the Pre-Acceleration Principal Priority of Payments.

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature imposed in any jurisdiction (including any penalty or interest payable in connection with any failure to pay or any delay in paying the same).

"Tax Deduction" means a deduction or withholding for or on account of Tax from a payment under a Transaction Document, other than a FATCA Deduction.

"Tax Redemption Receivables" means, on any Interest Payment Date, all Purchased Receivables then owned by the Issuer.

"Tax Redemption Repurchase Price" means an amount equal to the higher of:

- (a) an amount, calculated by the Servicer, equal to the sum of (i) the aggregate Receivable Deemed Initial Purchase Price in respect of the Tax Redemption Receivables, less (ii) the sum of all Principal Receipts and Revenue Receipts recovered or received by the Issuer in respect of the Tax Redemption Receivables from the Cut-Off Date to the Repurchase Date, plus (iii) any accrued and unpaid income in respect thereof as at the date of the repurchase; and
- (b) all amounts required to be paid on the Interest Payment Date which has been fixed for redemption in accordance with the relevant Priority of Payments (taking into account the redemption of the Notes in full) less any Available Revenue Receipts and Available Principal Receipts to be applied on such date.

"Tax Redemption Receivables Call Option" means the call option granted to the Seller pursuant to clause 8.6 (*Tax Redemption Receivables Call Option*) of the Receivables Sale and Purchase Agreement, under which the Seller, prior to the occurrence of an Insolvency Event in respect of the Seller, has the right to repurchase from the Issuer all Purchased Receivables then owned by the Issuer.

"Transaction" means the securitisation transaction in connection with which the Notes and the Residual Certificate are issued and to which the Transaction Documents refer.

"Transaction Account" means the distribution account of the Issuer opened on or before the Signing Date with the Account Bank with the separate Issuer Profit Ledger or any successor account.

"Transaction Party" means a party to a Transaction Document.

"Transaction Documents" means the Trust Deed, the Deed of Charge (and any document entered into pursuant thereto, including the Scottish Supplemental Charge and the Issuer Power of Attorney), the Agency Agreement, the Bank Account Agreement, the Cash Management Agreement, the Receivables Sale and Purchase Agreement, the Seller Power of Attorney, the Servicing Agreement, the Standby Servicer Agreement, the Global Notes representing the Notes, the Global Residual Certificate, the Master Definitions Schedule, the Collection Account Declarations of Trust, the Cap Agreement, the Corporate Services Agreement, the Vehicle Declaration of Trust, the Netting Letter and the Issuer ICSDs Agreement and other agreement entered into between the Transaction Parties from time to time which designated as a "Transaction Document" by the parties thereto.

"Trust Deed" means the trust deed dated on the Closing Date between the Issuer and Citicorp Trustee Company Limited (in this capacity, the **"Note Trustee"**, which expression includes its permitted successors and assigns).

"TSC Regulations" means the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296) (as amended).

"UK" or **"United Kingdom"** means the United Kingdom of Great Britain and Northern Ireland.

"UNCITRAL Implementing Regulations" means the UNCITRAL (United Nations Commission on International Trade Law) Model Law implemented in Great Britain on 4 April 2006 by the Cross-Border Insolvency Regulations (2006) (*SI 2006/1030*).

"United States" means, for the purpose of the Transaction, the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands).

"UCPD" means the Unfair Commercial Practices Directive No 2005/29.

"U.S. Person" means a U.S. person within the meaning of Regulation S and the U.S. Risk Retention Rules (as applicable).

"U.S. Risk Retention Rules" means Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended, adopted pursuant to the requirements of Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

"UTCC Regulations" means the Unfair Terms in Consumer Contracts Regulations 1999.

"Variation" means any amendment or variation to the terms of an HP Agreement after the Cut-Off Date.

"VAT" or **"Value Added Tax"** means value added tax in the UK as provided for in the VATA and legislation supplemental thereto and any similar tax in any other jurisdiction.

"VATA" means the Value Added Tax Act 1994.

"Vehicle" means, with respect to any Purchased Receivable, any vehicle the subject of the HP Agreement related to such Purchased Receivable.

"Vehicle Declaration of Trust" means the declaration of trust granted by the Seller in favour of the Issuer on or about the Closing Date in the form set out in Schedule 6 (*Vehicle Declaration of Trust*) to the Receivables Sale and Purchase Agreement.

"Vehicle Sale Proceeds" means, in relation to a Purchased Receivable, the proceeds of sale of the Vehicle that is the subject of the relevant HP Agreement including a sale of such Vehicle arising due to the return or repossession of such Vehicle following a default under the relevant HP Agreement or exercise by the relevant Obligor of a Voluntary Termination.

"Vehicle Trust Property" has the meaning given to it in the Vehicle Declaration of Trust.

"Volcker Rule" means Section 619 of the Dodd-Frank Act and any relevant implementing provisions thereof.

"Voluntary Termination" means the voluntary termination of a Regulated HP Agreement by an Obligor pursuant to Section 99 of the CCA.

"Voluntarily Terminated Receivable" means a Purchased Receivable in relation to which a Voluntary Termination has been exercised.

"Written Resolution" has the meaning given to it in Schedule 4 (*Provisions for Meetings of the Noteholders and the Certificateholders*) of the Trust Deed.

INDEX OF DEFINED TERMS

Account Bank	92, 132, 244	Cap Provider	92, 132, 248
Additional Account.....	244	Cap Rate	248
Administrator	vii, 106	Cap Tax Credits	248
Adopted ITS.....	31	Cap Termination Payment	248
Adopted RTS	31	Car Data Register	248
Adopted Technical Standards	31	Cash Management Agreement.....	92, 132, 248
Adverse Claim	244	Cash Management Fee	176
Affiliate	244	Cash Manager	92, 132, 249
Agency Agreement.....	92, 132, 244	Cash Manager Termination Event	175, 248
Agent	244	CCA.....	10, 249
Aggregate Outstanding Note Principal Amount	244	CCA Compensation Amount.....	50, 160, 249
Aggregate Outstanding Principal Balance...244		CCA Compensation Payment.....	249
AIFMD.....	37, 244	CCP.....	32
AIFMR.....	iv, 244	CEBS	37
Alternative Benchmark Rate	120, 150, 244	Central Bank	iii
Ancillary Rights.....	244	Central Clearing RTS.....	32
Applicable Benchmark Rate	120, 150, 245	Certificateholder	133, 249
Arranger.....	245	Charged Documents	249
Article 50.....	19	Charged Property.....	249
Article 8b Requirements	34	Class A Interest Amount	249
Available Principal Receipts	69, 245	Class A Interest Rate	105, 249
Available Revenue Receipts	69, 245	Class A Interest Shortfall	111, 249
Bank Account Agreement.....	92, 132, 246	Class A Noteholder	93, 249
Banking Consolidation Directive.....	246	Class A Notes	ii, 92, 249
Basel Committee	34	Class B Interest Amount	250
Basel II framework.....	34	Class B Interest Rate	105, 250
Basel III.....	35	Class B Interest Shortfall	111, 250
Basic Terms Modification	117, 147, 246	Class B Noteholder	93, 249
Benchmark Event	246	Class B Notes	ii, 92, 249
Benchmark Rate Modification	120, 150, 246	Class C Interest Amount	250
Benchmark Rate Modification Certificate ...	120, 247	Class C Interest Rate.....	105, 250
Benchmark Regulation	viii, 29, 247	Class C Interest Shortfall	111, 250
BMF DD Collection Account.....	247	Class C Noteholder.....	93, 250
BMF DD Collection Account Declaration of Trust.....	247	Class C Notes	ii, 92, 250
BMF DD Collection Account Holder	247	Class D Interest Amount	250
BMFL	ii, 224, 247	Class D Interest Rate.....	106, 250
BMFL Information	viii, 247	Class D Interest Shortfall	112, 250
Book-Entry Interests	90, 247	Class D Noteholder.....	93, 250
Broker	247	Class D Notes	ii, 92, 250
Business Day.....	247	Class E Interest Amount	250
Business Day Convention	247	Class E Interest Rate	106, 250
Calculated Principal Receipts.....	174, 247	Class E Interest Shortfall	112, 250
Calculated Revenue Receipts	174, 247	Class E Noteholder	93, 250
Calculation Agent	247	Class E Notes	ii, 92, 250
Calculation Date	247	Class of Notes.....	250
Calculation Period	247	Class X Interest Amount	251
Cap Agreement	92, 132, 248	Class X Interest Rate	106, 251
Cap Collateral.....	248	Class X Interest Shortfall	112, 251
Cap Collateral Account.....	248	Class X Noteholder	93, 250
Cap Notional Amount	248	Class X Notes	ii, 92, 251
Cap Premium.....	248	Clean-Up Call.....	109, 251
		Clean-Up Call Conditions	109, 251
		Clearing Obligation	32
		Clearing System Business Day	90, 91

Clearing Systems	251	Enforcement Event	254
Clearstream, Luxembourg	vii, 251	E-Sign	226
Closing Date	ii, 92, 132, 251	ESMA	iii, viii, 254
Collateralised Notes	ii, 60, 251	EU	iii
Collection Account	251	EU Insolvency Regulation	254
Collection Account Bank	251	EU Retention Requirements	iv, 254
Collection Account Declaration of Trust	251	EUR	254
Collections	251	Euro	254
Common Depository	251	Euroclear	vii, 254
Common Safekeeper	251	Euronext Dublin	iii, 254
CONC	10	Eurosystem	254
Conditions	93, 252	Eurosystem eligible collateral	41
Consumer Protection Regulations	16	Event of Default	115, 145, 254
Corporate Services Agreement	92, 132, 252	Excess Amount	254
Corporate Services Provider	92, 132, 233, 252	Excess Cap Collateral	254
CPR	220	Excess Recoveries Amount	255
CRA Regulation	iii, 252	Exchange Event	255
CRA15	14, 252	Excluded Amounts	255
CRA3	iii, 34	Extraordinary Resolution	116, 146, 255
CRA3 Requirements	120, 150	FATCA	255
CRD	35, 252	FATCA Deduction	255
CRD IV Package	35, 252	FCA	9, 255
Credit and Collection Procedures	252	FCA Handbook	255
Credit Support Annex	92, 132, 252	FCPs	32
CRR	iv, 35, 252	Final Class A Interest Payment Date	256
CRR Amending Regulation	38	Final Class B Interest Payment Date	256
CSK	251	Final Class C Interest Payment Date	256
Cut-Off Date	252	Final Class D Interest Payment Date	256
Data Protection Laws	252	Final Class E Interest Payment Date	256
Day Count Fraction	252	Final Class Interest Payment Date	256
Dealer	252	Final Receivables	256
Dealer Contract	252	Final Redemption Date	256
Declaration	226	Final Repurchase Price	256
Deed of Charge	92, 132, 252	Fitch	256
Defaulted Receivable	252	Floating Rate Notes	ii, 256
Defaulted Receivables Payment	161, 253	foreign passthru payments	22, 235
Definitive Notes	90, 253	FSMA	9, 238, 256
Definitive Residual Certificates	91, 253	GBP	256
Determination Date	253	Global Note	vii, 256
Determination Period	174, 253	Global Residual Certificate	vii, 256
Direct Debit	253	Gross Loss	77, 256
Direct Debiting Arrangements	253	Holder	94, 263
Disputed Receivable	253	Holdings	223, 256
distributor	x, 287	HP Agreement	257
Early Settlement	253	IBA	29
Early Settlement Regulations	11, 253	ICSD	257
EBA	37	IGAs	22, 235
EC Treaty	253	Implementing Law	255
ECB	41	Incentive Fee	257
ECB Guideline	41	Income Element	257
EEA	ix, 287	Insolvency Event	257
Effective Rate	254	Insolvency Official	258
Eligibility Criteria	188, 254	Instructing Party	258
Eligible Cap Provider	254	Insurance Claims	258
Eligible Receivable	254	Insurance Mediation Directive	xi
EMIR	31, 254	Insurers	258

Interest Amount	107	Non-FCPs	32
Interest Collection Shortfall.....	258	Non-Permitted Variation.....	165, 262
Interest Collection Shortfall (Class A).....	258	Non-Permitted Variation Receivable....	51, 161, 263
Interest Collection Shortfall (Class B).....	258	Non-Permitted Variation Receivable	
Interest Collection Shortfall (Class C)	259	Repurchase End Date.....	263
Interest Collection Shortfall (Class D)	259	Non-Permitted Variation Receivable	
Interest Collection Shortfall (Class E).....	259	Repurchase Price	161, 263
Interest Determination Agent.....	259	Non-Permitted Variation Receivables Call	
Interest Determination Date.....	259	Option	263
Interest Determination Ratio.....	259	Note Acceleration Notice	263
Interest Payment Date.....	vii, 259	Note Rate Maintenance Adjustment ..	125, 152, 263
Interest Period	vii, 259	Note Trustee	92, 132, 263
Interest Rate	260	Noteholder	263
Interest Shortfall	112, 260	Notes.....	ii, 92, 263
Introducer.....	224	NSS.....	iv, 264
Investment Company Act	iv, 260, 286	Obligor Insurance.....	264
Irish Listing Agent	260	Obligor Ledger	264
Irrecoverable VAT.....	260	Obligor(s)	ii, 188, 264
ISDA Master Agreement.....	260	Official List	iii
Issuer	92, 132, 221, 260	OFT	13
Issuer Accounts	260	Ordinary Resolution	264
Issuer ICSDs Agreement.....	260	Originator Group	242
Issuer Profit Amount	260	outstanding	264
Issuer Profit Ledger	170, 260	Outstanding Note Principal Amount.....	265
Joint Lead Managers	260	Outstanding Principal Balance.....	265
LCR Regulation	35	page LIBOR01	106
Legal Maturity Date	vii, 260	Paying Agent.....	92, 132, 265
Liabilities	260	PCP Contract	265
LIBOR.....	106, 260	Perfection Event.....	265
Liquidity Coverage Ratio	35	Perfection Event Notice	265
Loan-to-Value Ratio.....	260	Permitted Exceptions.....	265
Loss	261	Permitted Revenue Withdrawal	170, 266
Main Securities Market.....	iii	Permitted Variations.....	266
Master Definitions Schedule.....	92, 132, 261	Person.....	266
Material Adverse Effect	261	Portfolio	ii, 266
Member State	261	Post-Acceleration Priority of Payments	99, 138, 266
MiFID II	33, 287	Potential Event of Default	266
MiFIR	33	Pre-Acceleration Principal Priority of Payments	
Modification	120, 150, 261	266
Modification Certificate	120, 150, 261	Pre-Acceleration Priorities of Payments	266
Modification Noteholder Notice ..	124, 151, 261	Pre-Acceleration Revenue Priority of	
Modification Record Date	124, 151, 261	Payments	266
Month-end Aggregate Defaulted Receivables		Preliminary Prospectus.....	266
.....	261	Premium Element Purchase Price	266
Monthly Investor Report	261	Premium Element Purchase Price Percentage	
Monthly Payment.....	262	266
Monthly Report	262	PRIIPs Regulation.....	xi, 287
Moody's	iii, 262	Principal Deficiency Ledger	170, 266
Most Senior Class of Notes	262	Principal Deficiency Sub-ledger (Class A) .	170, 267
NaVCIS.....	227, 262	Principal Deficiency Sub-ledger (Class B) .	170, 267
Net Stable Funding Ratio	35		
NFC	32		
NFC+s	32		
Non-Compliant Receivable.....	50, 159, 262		
Non-Compliant Receivable Repurchase Price			
.....	50, 159, 262		

Principal Deficiency Sub-ledger (Class C) .170, 267	Reserve Fund Release Amount..... 271
Principal Deficiency Sub-ledger (Class D) .170, 267	Reserve Fund Required Amount 271
Principal Deficiency Sub-ledger (Class E)..170, 267	Reserve Fund Required Amount (Class A) 271
Principal Element.....267	Reserve Fund Required Amount (Class B) 271
Principal Element Purchase Price267	Reserve Fund Required Amount (Class C) 271
Principal Receipts267	Reserve Fund Required Amount (Class D) 272
Priority of Payments267	Reserve Fund Required Amount (Class E) 272
Prospectus..... iii, 267	Residual Certificate..... 132, 272
Prospectus Directive..... iii, 267	Residual Certificate Book-Entry Interests 91, 272
Provisional Cut-Off Date.....6	Residual Certificate Conditions..... 132
Provisional Portfolio.....195, 267	Residual Certificate Payment 272
Purchase Price268	Residual Certificate Payment Amount 272
Purchased Receivable Records267	Retained Interest..... 88
Purchased Receivables.....267	Revenue Receipts..... 272
RAO 10	Risk Mitigation Obligations 32
Rating Agencies268	Risk Retention U.S. Personiv, 39, 286
Rating Agency Confirmation.....268	Risk Tier 1 HP Agreement 273
Recast Insolvency Regulation268	Risk Tier 2 HP Agreement 273
Receivable268	Risk Tier 3 HP Agreement 273
Receivable Deemed Initial Purchase Price .268	Risk Tier 4 HP Agreement 273
Receivables Indemnity Amount.....50, 160, 269	Risk Tier 5 HP Agreement 273
Receivables Listing.....269	Risk Tier 6 HP Agreement 273
Receivables Sale and Purchase Agreement95, 134, 269	Risk Tier 7 HP Agreement 273
Receiver.....269	Risk Tier 8 HP Agreement 273
Reconciliation Amount.....269	RTS 34, 37
Recovery Collections269	S&P iii, 273
Reference Banks106, 269	S&P First Required Rating..... 274
Referendum 19	S&P Option 1 274
Register93, 133, 269	S&P Option 2 274
Registrar92, 132, 269	S&P Option 3 274
Regulated HP Agreements.....10, 269	S&P Option 3 Required Rating 274
Regulation S ix	S&P Option 4 274
Relevant Condition 107	S&P Option 4 Required Rating 274
Relevant Date.....269	S&P Second Required Rating 274
Relevant Time106, 107	Sale Notice..... 274
Replacement Cap Premium270	Scottish Supplemental Charge 274
Replacement Cash Management Agreement175	Section 5 37
Replacement Cash Manager.....175, 270	Secured Creditors 274
Replacement Servicing Agreement.....270	Secured Obligations..... 274
Replacement Trigger168, 270	Securities Actvi, 238, 286
Reporting Date270	Securitisations Regulation 34, 274
Reporting Obligation32	Security 92, 132, 274
Repurchase Date.....270	Security Trustee 92, 132, 274
Required Ratings.....179, 270	Seller ii, 95, 134, 224, 274, 286
Reserve Fund270	Seller Collection Account 274
Reserve Fund Excess Amount.....270	Seller Collection Account Declaration of Trust 274
Reserve Fund Ledger (Class A).....170, 270	Seller Power of Attorney 3, 274
Reserve Fund Ledger (Class B).....170, 271	Seller Receivables Warranties..... 50, 159, 275
Reserve Fund Ledger (Class C).....170, 271	Senior Expenses 275
Reserve Fund Ledger (Class D).....170, 271	Servicer 95, 134, 224, 275
Reserve Fund Ledger (Class E)..... 170	Servicer Standard of Care 163
	Servicer Termination Event 275
	Services 163
	Servicing Agreement..... 95, 134, 276

Servicing Fee.....	166, 276	Transaction	277
Set-off Receivable	276	Transaction Account	277
SFI	34	Transaction Documents	92, 132, 277
SGITA.....	276	Transaction Party.....	277
Signing Date	276	Trust Deed	92, 132, 277
Solvency II	37	TSC Regulations	277
Solvency II Regulation.....	iv, 276	U.S. Person.....	vi, 278, 286
SR Disclosure Requirements	34	U.S. Risk Retention Rules	iv, 278, 286
Standard and Poor's.....	273	U.S. Risk Retention Waiver	iv, 286
Standard Documentation.....	276	UCPD	16, 277
Standard Documents.....	276	UK	277
Standby Servicer	276	UNCITRAL Implementing Regulations	277
Standby Servicer Agreement	92, 132, 276	United Kingdom	277
Standby Servicer Notice.....	168	United States	277
Standby Servicer Succession Date	168, 276	UTCC Regulations	15, 278
Sterling.....	256	Value Added Tax	278
STS.....	34	Variation	278
STS securitisations.....	38	VATA.....	278
Subscription Agreement	276	Vehicle	278
Surplus Available Principal Receipts.....	70, 98, 276	Vehicle Declaration of Trust.....	4, 278
Tax.....	276	Vehicle Sale Proceeds.....	278
Tax Deduction	276	Vehicle Trust Property	278
Tax Redemption Receivables	277	Volcker Rule.....	iv, 278
Tax Redemption Receivables Call Option.....	277	Voluntarily Terminated Receivable	278
Tax Redemption Repurchase Price	277	Voluntary Termination.....	278
Trading Obligation	33	Written Resolution.....	278

REGISTERED OFFICE OF THE ISSUER

Azure Finance No. 1 Plc
35 Great St. Helen's
London EC3A 6AP
United Kingdom

THE SELLER AND SERVICER

Blue Motor Finance Limited
Darenth House
84 Main Road
Sundridge
Kent TN14 6ER
United Kingdom

THE ARRANGER

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

THE JOINT LEAD MANAGERS

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

THE NOTE TRUSTEE / THE SECURITY TRUSTEE

Citicorp Trustee Company Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

**THE ACCOUNT BANK / THE CASH MANAGER / THE PAYING AGENT /
THE INTEREST DETERMINATION AGENT**

Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

LEGAL ADVISORS

Counsel to the Arranger

as to English law

Hogan Lovells International LLP

Atlantic House
Holborn Viaduct
London EC1A 2FG
United Kingdom

as to Scots law

Shepherd and Wedderburn LLP

5th Floor
1 Exchange Crescent
Conference Square
Edinburgh
United Kingdom

Counsel to the Seller and the Servicer

Herbert Smith Freehills LLP

Exchange House
Primrose Street
London EC2A 2EG
United Kingdom

IMPORTANT NOTICE

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

You must read the following disclaimer before continuing.

The following applies to the preliminary prospectus following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the preliminary prospectus. In accessing the preliminary prospectus, you agree to be bound by the following terms and conditions, including any amendments of such terms and conditions any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR ISSUE OR THE SOLICITATION OF AN OFFER TO BUY, SUBSCRIBE FOR OR OTHERWISE ACQUIRE THE SECURITIES OF THE ISSUER IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT ("**U.S. PERSONS**"), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND UNDER CIRCUMSTANCES WHICH WOULD NOT REQUIRE THE ISSUER TO REGISTER UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). IN CONNECTION WITH THE INITIAL DISTRIBUTION OF THE SECURITIES OFFERED HEREBY, THE SECURITIES WILL BE OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES TO PERSONS WHO ARE NOT U.S. PERSONS. THERE HAS BEEN AND WILL BE NO PUBLIC OFFERING OF THE SECURITIES IN THE UNITED STATES.

THE PRELIMINARY PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE PRELIMINARY PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

EXCEPT WITH THE PRIOR CONSENT OF BLUE MOTOR FINANCE LIMITED (THE "**SELLER**") (A "**U.S. RISK RETENTION WAIVER**") AND WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 20 OF THE U.S. RISK RETENTION RULES (AS DEFINED BELOW), THE SECURITIES OFFERED BY THE PRELIMINARY PROSPECTUS MAY NOT BE SOLD TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON AS DEFINED IN REGULATION RR (17 C.F.R. PART 246) ("**RISK RETENTION U.S. PERSON**") IMPLEMENTING THE RISK RETENTION REQUIREMENTS OF SECTION 15G OF THE U.S. SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "**U.S. RISK RETENTION RULES**"). PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "U.S. PERSON" IN THE U.S. RISK RETENTION RULES IS SIMILAR TO, BUT NOT IDENTICAL TO, THE DEFINITION OF "U.S. PERSON" IN REGULATION S AND THAT PERSONS WHO ARE NOT "U.S. PERSONS" UNDER REGULATION S MAY BE "U.S. PERSONS" UNDER THE U.S. RISK RETENTION RULES.

In order to be eligible to view the preliminary prospectus or make an investment decision with respect to the securities, investors must not be a U.S. Person or unless the Seller consents otherwise, a Risk Retention U.S. Person) or located in the United States. By accepting the e-mail and accessing the preliminary prospectus, you will be deemed to have represented to the sender that you have

understood and agree to the terms set out herein; you are not a U.S. Person (or unless the Seller consents otherwise, a Risk Retention U.S. Person) or acting for the account or benefit of any U.S. Person (or, unless the Seller consents otherwise, any Risk Retention U.S. Person); the e-mail address that you have given to the sender and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia; and that you consent to delivery of the preliminary prospectus by electronic transmission.

The issuance of the Notes and the Residual Certificates has not been designed to comply with the U.S. Risk Retention Rules other than the exemption under Section 20 of the U.S. Risk Retention Rules, and no other steps have been taken by the Issuer, the Seller, Arranger, the Joint Lead Managers or any of their respective affiliates or any other party to accomplish such compliance.

Under no circumstances does the preliminary prospectus constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class X Notes or the Residual Certificates referred to in the preliminary prospectus in any jurisdiction in which such offer, solicitation or sale would be unlawful. Recipients of the preliminary prospectus who intend to subscribe for or purchase the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class X Notes or the Residual Certificates are reminded that any subscription or purchase may only be made on the basis of the information contained in the final prospectus. The preliminary prospectus may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer.

The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class X Notes and the Residual Certificates are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes and the Residual Certificates or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes and the Residual Certificates or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Solely for the purpose of each manufacturer's product approval process, the target market assessment in respect of the Notes and the Residual Certificates has led to the conclusion that: (i) the target market for the Notes and the Residual Certificates is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes and the Residual Certificates to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licenced broker or dealer and a Joint Lead Manager or any affiliate of a Joint Lead Manager is a licenced broker or dealer in that jurisdiction, the offering will be deemed to be made by such Joint Lead Manager or such affiliate on behalf of the Issuer in such jurisdiction.

You are reminded that the preliminary prospectus has been delivered to you on the basis that you are a person into whose possession the preliminary prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the preliminary prospectus to any other person.

The preliminary prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Seller (in its capacity as the Seller and the Servicer), the Joint Lead Managers nor the Arranger nor any person who controls any of the same nor any director, officer, employee or agent of such person or affiliate of any such person accepts any liability or responsibility for any difference between the preliminary prospectus distributed to you in electronic format and the hard copy version available to you on request during normal business hours at the specified offices of the Paying Agent.