

## IMPORTANT NOTICE

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

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NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF THE ISSUER IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE 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 OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

This prospectus has been delivered to you on the basis that you are a person into whose possession this prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. By accessing the prospectus, you shall be deemed to have confirmed and represented to us that (a) you have understood and agree to the terms set out herein, (b) you consent to delivery of the prospectus by electronic transmission, (c) you are not a U.S. person (within the meaning of Regulation S under the Securities Act) or acting for the account or benefit of a U.S. person and the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia, (d) if you are a person located in the United Kingdom, then you are a person who (i) has professional experience in matters relating to investments or (ii) is a high net worth entity falling within Article 49(2)(a) to (d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, (e) if you are a person located in France, that you are a qualified investor (other than an individual) acting for its own account (as defined in Articles D. 411-1 and following of the French *Code monétaire et financier*) or a provider of investment services relating to portfolio management for the account of third parties, and (f) if you are a person located in a Member State of the European Economic Area (other than the United Kingdom and France) which has implemented the Prospectus Directive, that you are a qualified investor as defined in the Prospectus Directive (all such persons referred to as **Relevant Persons**). Any investment or investment activity to which this prospectus relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

This prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither E-CARAT 4 plc, GMAC UK plc, Bank of America Merrill Lynch, Lloyds Bank plc, RBC Europe Limited, Commerzbank Aktiengesellschaft, The Royal Bank of Scotland plc nor any person who controls it nor any director, officer, employee nor agent of it or affiliate of any such person accepts any liability or

responsibility whatsoever in respect of any difference between the prospectus distributed to you in electronic format and the hard copy version available to you on request from GMAC UK plc, Bank of America Merrill Lynch, Lloyds Bank plc, RBC Europe Limited, Commerzbank Aktiengesellschaft or The Royal Bank of Scotland plc.

## E-CARAT 4 PLC

(incorporated in England and Wales under Registered Number 9146372)

**£440,000,000 CLASS A ASSET BACKED FLOATING RATE NOTES DUE SEPTEMBER 2022**

**£16,800,000 CLASS B ASSET BACKED FLOATING RATE NOTES DUE SEPTEMBER 2022**

**£24,075,000 SUBORDINATED ASSET BACKED FIXED RATE NOTES DUE SEPTEMBER 2022**  
(the Notes)

Notes	Initial Principal Amount	Issue Price	Interest Rate	Final Maturity Date	Ratings (S&P/Moody's/DB RS)
Class A	£440,000,000	100%	One-month Sterling LIBOR + 0.41%	September 2022	AAA(sf)/ Aaa (sf)/ AAA (sf)
Class B	£16,800,000	100%	One-month Sterling LIBOR + 0.95%	September 2022	AAA(sf)/ Aa2 (sf)/ AA (sf)
Subordinated Notes	£24,075,000	100%	Fixed Rate of 5.50%	September 2022	Unrated

**Closing Date** E-CARAT 4 plc (the **Issuer**) will issue the Notes in the classes set out above on 20 October 2014 (the **Closing Date**).

**Underlying Assets** The Issuer will make payments on the Notes from, *inter alia*, a portfolio comprising auto receivables (and certain ancillary rights) originated by GMAC UK plc (the **Originator** and the **Seller**). See the section entitled "*The Provisional Portfolio*" for more detail.

### **Credit Enhancement and Liquidity Support**

- Subordination of the Subordinated Notes to the Class A Notes and the Class B Notes. Subordination of the Class B Notes to the Class A Notes.
- Payments of principal on the Class A Notes, the Class B Notes and the Subordinated Notes will be made in sequential order at all times.
- Excess Available Revenue Receipts.
- Availability of the Liquidity Reserve, to pay interest on the Class A Notes and the Class B Notes, and senior expenses ranking in priority thereto. On the Final Class B Interest Payment Date amounts standing to the credit of the Liquidity Reserve shall also be applied on such Interest Payment Date as Available Principal Receipts and shall be applied in accordance with the Pre-Acceleration Principal Priority of Payments in such amount as is required to redeem the Class B Notes and thereafter any excess shall continue to be applied in accordance with the Pre-Acceleration Revenue Priority of Payments.
- The Issuer may apply Available Principal Receipts to cover a Revenue Deficiency *provided that* Available Principal Receipts cannot be applied to cover a Revenue Deficiency on (i) the Class B Notes where the balance of the Principal Deficiency Ledger is more than 100 per cent. of the Principal Amount Outstanding of

the Subordinated Notes and (ii) the Class A Notes and Class B Notes where the balance of the Principal Deficiency Ledger is more than 100 per cent. of the aggregate Principal Amount Outstanding of the Subordinated Notes and the Class B Notes. Available Principal Receipts will not be applied to cover any interest shortfall in respect of the Subordinated Notes.

See the section entitled "*Credit Structure, Liquidity and Hedging*" for more detail.

## **Redemption Provisions**

The Notes may be redeemed in whole or in part (as applicable) in the following cases:

- (i) a mandatory redemption in whole on the Final Maturity Date;
- (ii) a mandatory redemption in part on any Interest Payment Date commencing 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;
- (iii) optional redemption in whole exercisable by the Issuer on any Interest Payment Date (A) on which the aggregate Principal Amount Outstanding of all of the Notes is equal to or less than 10 per cent. of the aggregate Principal Amount Outstanding of the Notes as at the Closing Date; or (B) on which the Class A Notes and the Class B Notes have been redeemed in full; and
- (iv) optional redemption in whole on any Interest Payment Date exercisable by the Issuer for tax reasons.

For information on optional and mandatory redemption of the Notes, see the section entitled "*Transaction Overview – Summary of the Terms and Conditions of the Notes*" and Condition 6 (Redemption).

## **Rating Agencies**

Standard & Poor's Credit Market Services Europe Limited (**S&P**), Moody's Investors Service Limited (**Moody's**) and DBRS Ratings Limited (**DBRS**).

The Class A Notes will, upon issuance, be rated AAA(sf) and the Class B Notes will, upon issuance, be rated AAA(sf) by S&P.

The Class A Notes will, upon issuance, be rated Aaa (sf) and the Class B Notes will, upon issuance, be rated Aa2 (sf) by Moody's.

The Class A Notes will, upon issuance, be rated AAA (sf) and the Class B Notes will, upon issuance, be rated AA (sf) by DBRS.

Each of S&P, Moody's and DBRS is established and operating in the European Union and is registered for the purposes of the EU Regulation on credit rating agencies (Regulation (EC) No.1060/2009), as amended.

## **Ratings**

Ratings will be assigned to the Class A Notes and the Class B Notes as set out above on or before the Closing Date.

The ratings reflect the view of the Rating Agencies and are based on the Purchased Receivables and the structural features of the transaction, and, *inter alia*, the ratings of the Swap Counterparty and the Account Bank.

The ratings assigned by S&P, Moody's and DBRS address the likelihood of full and timely payment to the Noteholders (a) of interest due on each Interest Payment Date and (b) of principal on a date that is not later than the Final Maturity Date.

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

**The Subordinated Notes will not be rated.**

## **Listing**

This document comprises a prospectus (the **Prospectus**) for the purpose of Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a Relevant Member State (the **Prospectus Directive**)) and relevant implementing measures in Ireland. The 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. Such approval relates only to the Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange (the **Irish Stock Exchange**) or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area.

Application has been made to the Irish Stock Exchange 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 the Irish Stock Exchange's regulated market.

## **Eurosystem Eligibility**

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

## **Obligations**

The Notes will be obligations of the Issuer alone and will not be the obligations of, or guaranteed by, or be the responsibility of, any other

entity. In particular, the Notes will not be obligations of, or guaranteed by, or be the responsibility of, any Transaction Party (as defined below) other than the Issuer.

**Risk Retention Undertaking**

The Seller will retain for the life of the transaction a material net economic interest of not less than 5 per cent. in the securitisation in accordance with the text of paragraph (d) of Article 405(1) of Regulation (EU) No 575/2013 (the **Capital Requirements Regulation**) and paragraph (d) of Article 51(1) of Regulation (EU) No 231/2013 (the **AIFM Regulation**) (which, in each case, does not take into account any corresponding national measures). See the section entitled "*EU Risk Retention Requirements*" for more information.

As to the information made available to prospective investors by the Issuer, reference is made to the information set out herein and forming part of this Prospectus and, after the Closing Date, to the Monthly Investor Reports prepared by the Cash Manager on the basis of a Calculation Report prepared by the Calculation Agent. In such Monthly Investor Report relevant information with regard to the Purchased Receivables will be disclosed publicly together with an overview of the retention and/or any changes in the method of retention of the material net economic interest by the Seller for the purposes of which the Servicer will provide the Calculation Agent with all information reasonably required with a view to complying with Article 409 of the Capital Requirements Regulation.

Each prospective Noteholder is required to independently assess and determine the sufficiency of the information described in the preceding two paragraphs for the purposes of complying with each of Part Five of the Capital Requirements Regulation (including Article 405) and Section Five of Chapter III of the AIFM Regulation (including Article 51) and any corresponding national measures which may be relevant and none of the Issuer, nor the Joint Lead Managers, nor the Co-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. The Issuer accepts responsibility for the information set out in this paragraph and in the preceding two paragraphs.

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

The date of this Prospectus is 17 October 2014

**Joint Lead Managers**

**Bank of America Merrill Lynch**

**Lloyds Bank plc**

**RBC Capital Markets**

**Co-Managers**

**Commerzbank**

**RBS**

## IMPORTANT NOTICE

**THE NOTES WILL BE OBLIGATIONS OF THE ISSUER ONLY. THE NOTES WILL NOT BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY PERSON OTHER THAN THE ISSUER. IN PARTICULAR, THE NOTES WILL NOT BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY OF 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 SHALL BE ACCEPTED BY ANY OF THE TRANSACTION PARTIES (OTHER THAN THE ISSUER), OR ANY COMPANY IN THE SAME GROUP OF COMPANIES AS THE TRANSACTION PARTIES (OTHER THAN THE ISSUER).**

YOU SHOULD REVIEW AND CONSIDER THE DISCUSSION UNDER "**RISK FACTORS**" BEGINNING ON PAGE 48 IN THIS PROSPECTUS BEFORE YOU PURCHASE ANY NOTES.

The Class A Notes and the Class B Notes will be represented on issue by a Global Note in bearer form for each Class of Notes. The Class A Notes and the Class B Notes may also be issued in definitive bearer form in certain limited circumstances.

The Issuer will deposit the Class A Notes and the Class B Notes on or about the Closing Date with Euroclear or Clearstream, Luxembourg as common safekeeper.

Each of Euroclear and Clearstream, Luxembourg will record the beneficial interests in the Global Notes (**Book-Entry Interests**) in respect of the Class A Notes and the Class B Notes. Book-Entry Interests in the Global Notes will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear or Clearstream, Luxembourg, and their respective participants. The Subordinated Notes will be issued in definitive registered form.

THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFERING OF THE NOTES IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. NO REPRESENTATION IS MADE BY ANY OF THE TRANSACTION PARTIES THAT THIS PROSPECTUS MAY BE LAWFULLY DISTRIBUTED, OR THAT THE NOTES MAY BE LAWFULLY OFFERED, IN COMPLIANCE WITH ANY APPLICABLE REGISTRATION OR OTHER REQUIREMENTS IN ANY SUCH JURISDICTION, OR PURSUANT TO AN EXEMPTION AVAILABLE THEREUNDER, AND NONE OF THEM ASSUMES ANY RESPONSIBILITY FOR FACILITATING ANY SUCH DISTRIBUTION OR OFFERING. IN PARTICULAR, SAVE FOR OBTAINING THE APPROVAL OF THIS PROSPECTUS AS A PROSPECTUS FOR THE PURPOSES OF THE PROSPECTUS DIRECTIVE BY THE CENTRAL BANK OF IRELAND, NO ACTION HAS BEEN OR WILL BE TAKEN BY ANY OF THE TRANSACTION PARTIES WHICH WOULD PERMIT A PUBLIC OFFERING OF THE NOTES OR DISTRIBUTION OF THIS PROSPECTUS IN ANY JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, THE NOTES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS PROSPECTUS NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR PUBLISHED, IN ANY JURISDICTION, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THIS PROSPECTUS COMES ARE REQUIRED BY THE ISSUER, THE JOINT LEAD MANAGERS AND THE CO-MANAGERS TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES OR ANY OTHER RELEVANT JURISDICTION AND ARE

SUBJECT TO UNITED STATES TAX LAW REQUIREMENTS. THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS AND EXCEPTIONS TO UNITED STATES TAX REQUIREMENTS. THE NOTES ARE NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN UNDER "*TRANSFER RESTRICTIONS*".

The Notes will bear restrictive legends and will be subject to restrictions on transfer as described herein. Each of the Joint Lead Managers and the Co-Managers and each subsequent transferee of the Notes will be deemed, by its acquisition or holding of such Notes, to have made the representations set forth in such Notes and the Trust Deed that are required of such initial purchasers and transferees. Any resale or other transfer, or attempted resale or other attempted transfer, of Notes which is not made in compliance with the applicable transfer restrictions will be void. See "*transfer restrictions*".

None of the Issuer or each of the Joint Lead Managers or each of the Co-Managers or any of the Transaction Parties makes any representation to any prospective investor or purchaser of the Notes regarding the legality of investment therein by such prospective investor or purchaser under applicable legal investment or similar laws or regulations.

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.

The Seller accepts responsibility for the section entitled "EU Risk Retention Requirements" (but not, for the avoidance of doubt, any information set out in a section referred to in the section entitled "EU Risk Retention Requirements") 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.

The Swap Counterparty accepts responsibility for the section entitled "The Swap Counterparty" (but not, for the avoidance of doubt, any information set out in a section referred to in the section entitled "The Swap Counterparty") 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 representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by U.S. Bank Trustees Limited, Elavon Financial Services Limited, Bank of America Merrill Lynch, Lloyds Bank plc, RBC Europe Limited, Commerzbank Aktiengesellschaft or The Royal Bank of Scotland plc as to the accuracy or completeness of any information contained in this Prospectus or any other information supplied in connection with the Notes or their distribution.

No person is authorised to give any information or to make any representation in connection with the offering or sale of the Notes other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by any of the Transaction Parties or any of their respective affiliates or advisers. Neither the delivery of this Prospectus nor any sale or allotment made in connection with the offering of the Notes shall, under any circumstances, create any implication or constitute a representation that there has been no change in the affairs of the Issuer or the Seller or in the other information contained herein since the date hereof. The information contained in this Prospectus was obtained from the Issuer and the other sources identified herein, but no assurance can be given by the Note Trustee or any of the Transaction Parties or each of the Joint Lead Managers or each of the Co-Managers as to the accuracy or completeness of such information. None of the Note Trustee or any of the Transaction Parties or each of the Joint Lead Managers or each of the Co-Managers has separately



verified the information contained herein. Accordingly, none of the Note Trustee or any of the Transaction Parties or each of the Joint Lead Managers or each of the Co-Managers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus. In making an investment decision, investors must rely on their own examination of the terms of this offering, including the merits and risks involved. The contents of this Prospectus should not be construed as providing legal, business, accounting or tax advice. Each prospective investor should consult its own legal, business, accounting and tax advisers prior to making a decision to invest in the Notes.

The delivery of this Prospectus at any time does not imply that the information herein is correct at any time subsequent to its date.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Issuer, the Seller, the Joint Lead Managers or the Co-Managers or any of them to subscribe for or purchase any of the Notes in any jurisdiction where such action would be unlawful and neither this Prospectus, nor any part thereof, may be used for or in connection with any offer to, or solicitation by, any person in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

This Prospectus is personal to the offeree who received it from the Joint Lead Managers or the Co-Managers and does not constitute an offer to any other person to purchase any Notes.

The Notes 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 risks of ownership of the Notes. 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. Representatives of the Joint Lead Managers or the Co-Managers will be available to answer questions concerning the Issuer and the Notes and will, upon request, make available such other information as investors may reasonably request. Prospective purchasers of the Notes must be able to hold their investment for an indefinite period of time.

This Prospectus is not intended to furnish legal, regulatory, tax, accounting, investment or other advice to any prospective purchaser of the Notes.

This Prospectus should be reviewed by each prospective purchaser and its legal, regulatory, tax, accounting, investment and other advisers. Prospective purchasers whose investment authority is subject to legal restrictions should consult their legal advisers to determine whether and to what extent the Notes constitute legal investments for them.

### **Interpretation**

In this prospectus all references to **Pounds, Sterling, GBP** and **£** are references to the lawful currency of the United Kingdom of Great Britain and Northern Ireland.

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

Capitalised terms used in this Prospectus, unless otherwise indicated, have the meanings set out in this Prospectus. An index of defined terms appears at the end of this Prospectus in the section headed "GLOSSARY OF 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 Underlying 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 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 Joint Lead Managers and the Co-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 Issuer nor the Joint Lead Managers nor the Co-Managers assume 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.

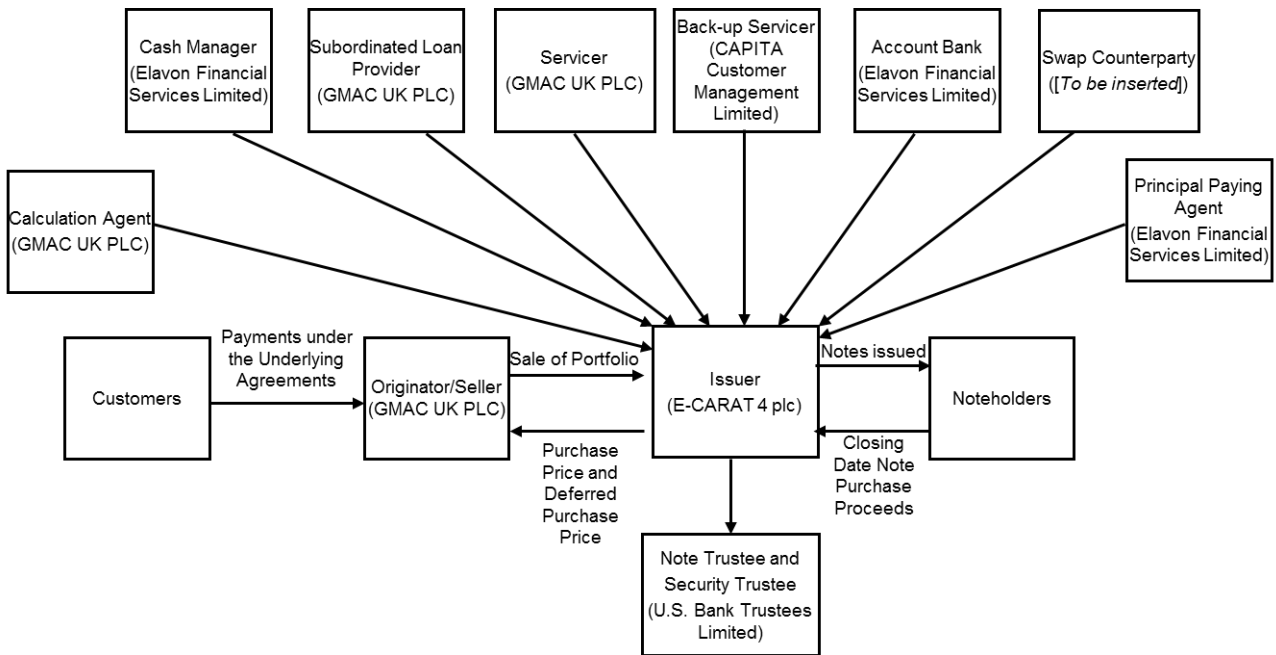
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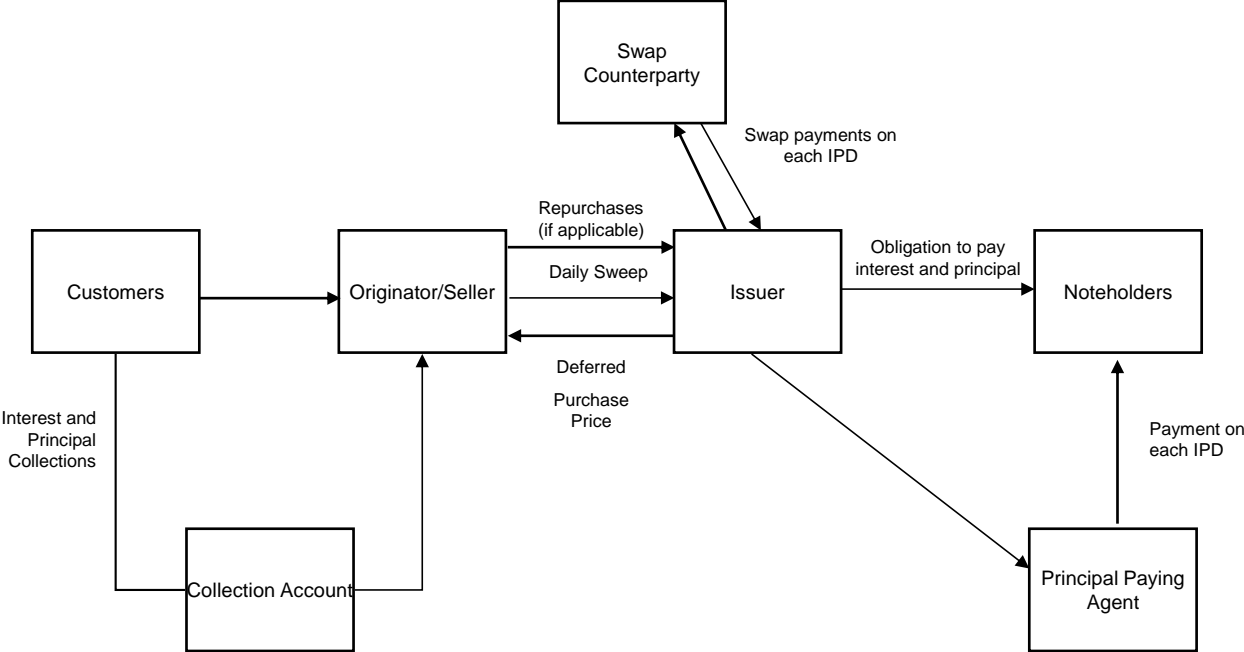
## TRANSACTION OVERVIEW

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

### DIAGRAMMATIC OVERVIEW OF THE TRANSACTION

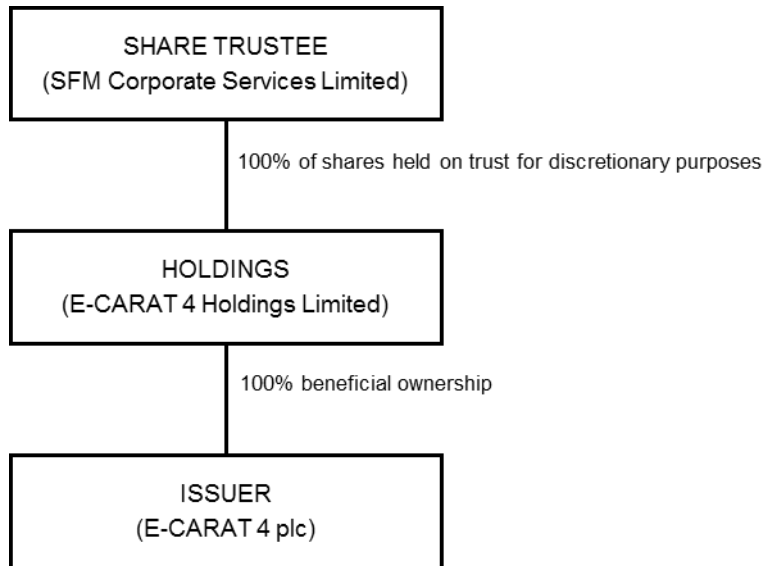


**DIAGRAMMATIC OVERVIEW OF ONGOING CASH FLOW**



**IPD** refers to an Interest Payment Date

## OWNERSHIP STRUCTURE DIAGRAM



The entire issued share capital of the Issuer is owned by Holdings.

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

## TRANSACTION PARTIES ON THE CLOSING DATE

<b>Party</b>	<b>Name</b>	<b>Address</b>	<b>Document under which appointed/Further Information</b>
<b>Issuer</b>	E-CARAT 4 plc	35 Great St. Helen's, London EC3A 6AP, United Kingdom	N/A
<b>Holdings</b>	E-CARAT 4 Holdings Limited	35 Great St. Helen's, London EC3A 6AP, United Kingdom	N/A
<b>Seller</b>	GMAC UK plc	Heol-y-Gamlas, Parc Nantgarw, Treforest, Cardiff CF15 7QU, United Kingdom	N/A
<b>Servicer</b>	GMAC UK plc	Heol-y-Gamlas, Parc Nantgarw, Treforest, Cardiff CF15 7QU, United Kingdom	Servicing Agreement by the Issuer. See the section entitled " <i>Overview of the Transaction Documents – Servicing Agreement</i> " for further information.
<b>Back-Up Servicer</b>	CAPITA Customer Management Limited	17 Rochester Row, London, SW1P 1QT, United Kingdom	Back-Up Servicing Agreement. See " <i>Overview of the Transaction Documents – Back-Up Servicing Agreement</i> " for further information.
<b>Cash Manager</b>	Elavon Financial Services Limited	5th Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom	Cash Management Agreement by the Issuer. See the section entitled " <i>Overview of the Transaction Documents – Cash Management Agreement</i> " for further information.
<b>Calculation Agent</b>	GMAC UK plc	Heol-y-Gamlas, Parc Nantgarw, Treforest, Cardiff CF15 7QU, United Kingdom	Calculation Agency Agreement. See the section entitled " <i>Overview of the Transaction Documents – Calculation Agency Agreement</i> " for further information.

<b>Party</b>	<b>Name</b>	<b>Address</b>	<b>Document under which appointed/Further Information</b>
<b>Subordinated Loan Provider</b>	GMAC UK plc	Heol-y-Gamlas, Parc Nantgarw, Treforest, Cardiff CF15 7QU, United Kingdom	Subordinated Loan Agreement by the Issuer. See the section entitled " <i>Overview of the Transaction Documents – Subordinated Loan Agreement</i> " for further information.
<b>Swap Counterparty</b>	Lloyds Bank plc	25 Gresham Street, London EC2V 7HN, United Kingdom	Swap Agreement by the Issuer. See the section entitled " <i>Overview of the Transaction Documents – Swap Agreement</i> " for further information.
<b>Account Bank</b>	Elavon Financial Services Limited	5th Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom	Account Bank Agreement by the Issuer. See the section entitled " <i>Overview of the Transaction Documents – Account Bank Agreement</i> " for more information.
<b>Collections Account Bank</b>	Lloyds Bank plc	25 Gresham Street London EC2V 7HN United Kingdom	Collections Account Declaration of Trust. See the section entitled " <i>Overview of the Transaction Documents - Servicing Agreement - Collections Account Declaration of Trust</i> " for more information.
<b>Note Trustee</b>	U.S. Bank Trustees Limited	5th Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom	Trust Deed and Deed of Charge. See the Conditions and the section entitled " <i>Overview of the Transaction Documents – Deed of Charge</i> " for further information.
<b>Security Trustee</b>	U.S. Bank Trustees Limited	5th Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom	Deed of Charge. See the section entitled " <i>Overview of the Transaction Documents – Deed of Charge</i> " for further information.



<b>Party</b>	<b>Name</b>	<b>Address</b>	<b>Document under which appointed/Further Information</b>
<b>Principal Paying Agent</b>	Elavon Financial Services Limited	5th Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom	Agency Agreement by the Issuer. See the section entitled " <i>Overview of the Transaction Documents – Agency Agreement</i> " for more information.
<b>Agent Bank</b>	Elavon Financial Services Limited	5th Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom	Agency Agreement by the Issuer. See the section entitled " <i>Overview of the Transaction Documents – Agency Agreement</i> " for more information.
<b>Registrar</b>	Elavon Financial Services Limited	Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland	Agency Agreement by the Issuer. See the section entitled " <i>Overview of the Transaction Documents – Agency Agreement</i> " for more information.
<b>Corporate Services Provider</b>	Structured Finance Management Limited	35 Great St. Helen's London EC3A 6AP, United Kingdom	Corporate Services Agreement by the Issuer and Holdings. See the section entitled " <i>The Issuer</i> " and " <i>Holdings</i> " for further information.
<b>Joint Lead Managers</b>	Merrill Lynch International	2 King Edward Street London EC1A 1HQ, United Kingdom	Subscription Agreement
	Lloyds Bank plc	25 Gresham Street London EC2V 7HN, United Kingdom	Subscription Agreement
	RBC Europe Limited	Riverbank House, 2 Swan Lane, London EC4R 3BF, United Kingdom	Subscription Agreement

<b>Party</b>	<b>Name</b>	<b>Address</b>	<b>Document under which appointed/Further Information</b>
<b>Co-Managers</b>	Commerzbank Aktiengesellschaft	Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Federal Republic of Germany	Subscription Agreement
	The Royal Bank of Scotland plc	135 Bishopsgate, London EC2M 3UR, United Kingdom	Subscription Agreement
<b>Irish Listing Agent</b>	Walkers Listing & Support Services Limited	The Anchorage, 17-19 Sir John Rogerson's Quay, Dublin 2, Ireland	N/A

## THE PORTFOLIO

Please refer to the section entitled "The Provisional Portfolio" for further detail in respect of the characteristics of the Portfolio and the sale and the servicing arrangements in respect of the Purchased Receivables.

### Sale of Receivables:

The Portfolio will consist of each payment due from a Customer under a Related Underlying Agreement at any time after the Closing Date together with the Ancillary Rights relating to such Purchased Receivable, each of which will be sold, subject to the Scottish Declaration of Trust, to the Issuer on the Closing Date.

The Underlying Agreements are mainly directed at retail customers that are situated in England and Wales, Northern Ireland or Scotland and each Underlying Agreement is governed by English, Northern Irish or Scots law.

There will be no substitution of the Purchased Receivables in the Portfolio as existing Underlying Agreements repay. See the section entitled "The Provisional Portfolio" for more information.

The assignment by the Seller of the Purchased Receivables that are either English Receivables or Northern Irish Receivables will take effect in equity because no notice of the assignment will be given to Customers unless a Perfection Event shall have occurred.

The sale of the Scottish Receivables will be given effect by a Scottish Declaration of Trust. No notice of the sale of the Scottish Receivables will be given to Customer unless a Perfection Event shall have occurred.

### Key Features of Underlying Agreements:

The following is a summary of certain features of the Underlying Agreements in the provisional portfolio as at the Cut-off Date (the **Provisional Portfolio**) and investors should refer to, and carefully consider, further details in respect of the Underlying Agreements set out in "The Provisional Portfolio".

Number of Underlying Agreements	50,192
Total Outstanding Principal Balance	£480,875,946.38
Average current Outstanding Principal Balance	£9,580.73
Weighted average Annual Percentage Rate of the total charge for credit ( <b>APR</b> )	2.87%
Weighted average scheduled remaining term	51.39 months
Weighted average seasoning	5.76 months

See the section entitled "The Provisional Portfolio" for further information.

**Consideration:**

The Purchase Price payable to the Seller in respect of the sale of each Receivable shall comprise the Initial Purchase Price and the Deferred Purchase Price. The **Initial Purchase Price** means the amount, determined as at the Closing Date as being an amount equal to the Outstanding Principal Balance due from Customers under the Related Underlying Agreement (which for the avoidance of doubt shall include any option fees and fees payable) during the period beginning on (but excluding) the Closing Date and ending on (and including) the maturity date of such Related Underlying Agreement plus, to the extent not included in the Outstanding Principal Balance, any capitalised interest and arrears. The Initial Purchase Price is payable by the Issuer on the Closing Date in accordance with the terms of the Receivables Sale and Purchase Agreement.

The Issuer shall also pay the Seller the **Deferred Purchase Price** subject to and in accordance with the Priority of Payments.

The Cut-off Date was 30 September 2014.

See the section entitled "*The Provisional Portfolio*" for further information.

**Representations and warranties:**

The Seller will make certain representations and warranties regarding the Purchased Receivables and the Related Underlying Agreements to the Issuer on the Closing Date with reference to the circumstances as at the Cut-off Date and, where applicable, on further dates as more fully set out in the Receivables Sale and Purchase Agreement.

Examples of the representations and warranties given by the Seller include the following: (i) each Purchased Receivable and each Related Underlying Agreement complies with the eligibility criteria set out in the Receivables Sale and Purchase Agreement (the **Eligibility Criteria**), (ii) as at the Closing Date, each Related Underlying Agreement is legal, valid, binding and enforceable (subject to certain laws from time to time in effect relating to bankruptcy, insolvency, reorganisation, liquidation or any other similar laws or other procedures affecting generally the enforcement of creditors' rights) and is enforceable in accordance with its terms, (iii) immediately prior to the Closing Date the Seller is (subject to any prior Encumbrance which has been subsequently discharged) the sole legal and beneficial owner of each Purchased Receivable, and (iv) so far as the Seller is aware, there has been no unremedied material default under any Related Underlying Agreement.

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 Non-Compliant Receivables:**

To the extent that a representation or warranty given by the Seller in respect of a Purchased Receivable proves to have been incorrect on the date on which such representation and warranty was made (other than by reason of a Related Underlying Agreement being determined illegal, invalid, non-binding or unenforceable under the CCA or the FSMA or subject to a right to cancel or a right to withdraw under the CCA), or if the relevant Purchased Receivable never existed or a Non-Permitted Variation has been made in respect of the relevant Receivable (each such affected Receivable being a **Non-Compliant Receivable**), the Seller will be required to repurchase such Purchased Receivable for (i) an amount equal to its Outstanding Principal Balance as at the Closing Date plus any accrued income in respect thereof as at the date of the repurchase, less any amounts in respect of any Principal Element recovered or received by the Issuer in respect of such Receivable (the **Non-Compliant Receivable Repurchase Price**) or (ii) in the case of a Purchased Receivable which did not exist as at the Closing Date, an amount equal to any loss suffered by the Issuer by reason of the representation or warranty being untrue or incorrect by reference to the facts subsisting on the Closing Date (the **Receivables Indemnity Amount**).

In respect of the repurchase of a Non-Compliant Receivable, in determining whether or not there is a breach of the relevant representation or warranty leading to a repurchase, if to disapply the words "so far as the Seller is aware" would result in the breach of the relevant representation or warranty then the wording "so far as the Seller is aware" will in fact be disappplied and such Purchased Receivable to which the relevant representation or warranty applies shall be deemed a Non-Compliant Receivable.

Where Purchased Receivables are determined to be in breach of the representation and warranties made (including the Eligibility Criteria) by reason of a Related Underlying Agreement (or part thereof) being determined illegal, invalid, non-binding or unenforceable under the CCA or the FSMA or subject to a right to cancel or a right to withdraw under the CCA the Seller will not be obliged to repurchase the relevant Receivables but will 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 arising as a result thereof (the **CCA Compensation Amount**).

**Defaulted Receivables Call Option:**

Under the Receivables Sale and Purchase Agreement, the Seller will be granted a call option in relation to Defaulted Receivables (the **Defaulted Receivables Call Option**) which will entitle the Seller, prior to the occurrence of an Insolvency Event of the Seller, to purchase from the Issuer, and oblige the Issuer to sell, any Purchased Receivable which is a Defaulted Receivable for an amount equal to £1 (the **Initial Defaulted Receivables Payment**).

The Defaulted Receivables Payment, in respect of a Defaulted Receivable, comprises (i) the Initial Defaulted Receivables Payment and (ii) an amount equal to any Defaulted Receivables Call Option Recoveries from the relevant Customer in excess of the Initial Defaulted Receivables Payment less an amount equal to any VAT that the Seller (or any company with which it is grouped for VAT purposes) is liable to account in respect of the sale of such related Vehicle (if any).

The Seller is obliged to pay the Initial Defaulted Receivables Payment on the relevant repurchase date and to promptly transfer any Defaulted Receivables Call Option Recoveries to the extent they are payable to the Issuer.

It is a condition of the exercise of the Defaulted Receivables Call Option that the Servicer has written off the relevant Defaulted Receivable as uncollectable (i.e. after any recovery of the related Vehicle and disposal thereof or if the recovery of any Vehicle or its disposal is determined by the Servicer to be uneconomical and such Vehicle has been written off in accordance with the Seller's Credit and Collection Procedures) in a previous Calculation Period.

If the Defaulted Receivables Call Option is exercised, the Seller is required to repurchase the relevant Defaulted Receivable by the end of the Calculation Period immediately after the Calculation Period in which such Defaulted Receivables Call Option is exercised.

Immediately following the exercise of the Defaulted Receivables Call Option by the Seller and payment of the Initial Defaulted Receivables Payment, the Issuer's interest in any Defaulted Receivable will pass to the Seller.

See the section entitled "*Overview of the Transaction Documents – Receivables Sale and Purchase Agreement – Defaulted Receivables Call Option*" for further information.

**Delegation by the Servicer:**

The Servicer may, at its own cost and expense, delegate some of its servicing function to a third party provided that the Servicer remains responsible for the performance of any of its servicing function so delegated. See the section entitled "*Overview of the Transaction Documents – Servicing Agreement*" for further information.

## SUMMARY OF THE TERMS AND CONDITIONS OF THE NOTES

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

### FULL CAPITAL STRUCTURE OF THE NOTES

	Class A	Class B	Subordinated Notes
<b>Currency</b>	GBP	GBP	GBP
<b>Initial Principal Amount</b>	£440,000,000	£16,800,000	£24,075,000
<b>Credit Enhancement and Liquidity Support</b>	Subordination of the Class B Notes and of the Subordinated Notes, Liquidity Reserve, excess Available Revenue Receipts	Subordination of the Subordinated Notes, Liquidity Reserve, excess Available Revenue Receipts	Excess Available Revenue Receipts
<b>Issue Price</b>	100%	100%	100%
<b>Interest Rate</b>	One-month Sterling LIBOR + 0.41%	One-month Sterling LIBOR + 0.95%	Fixed Rate of 5.50%
<b>Interest Accrual Method</b>	Actual/365 (fixed)	Actual/365 (fixed)	Actual/Actual (ICMA)
<b>Interest Determination Date</b>	First day of each Interest Period	First day of each Interest Period	First day of each Interest Period
<b>Interest Payment Date</b>	18th day of each calendar month	18th day of each calendar month	18th day of each calendar month
<b>Business Day</b>	London and Brussels	London and Brussels	London and Brussels
<b>Business Day Convention</b>	Modified Following	Modified Following	Modified Following
<b>First Interest Payment Date</b>	18 November 2014 (subject to adjustment in accordance with the Business Day Convention)	18 November 2014 (subject to adjustment in accordance with the Business Day Convention)	18 November 2014 (subject to adjustment in accordance with the Business Day Convention)
<b>First Interest Period</b>	From and including the Closing Date to (but excluding) the first Interest Payment Date	From and including the Closing Date to (but excluding) the first Interest Payment Date	From and including the Closing Date to (but excluding) the first Interest Payment Date

	<b>Class A</b>	<b>Class B</b>	<b>Subordinated Notes</b>
<b>Final Maturity Date</b>	Interest Payment Date falling in September 2022	Interest Payment Date falling in September 2022	Interest Payment Date falling in September 2022
<b>Form of the Notes</b>	Bearer Notes	Bearer Notes	Definitive registered Notes
<b>Application for Listing</b>	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange
<b>ISIN</b>	XS1103661838	XS1103672447	N/A
<b>Common Code</b>	110366183	110367244	N/A
<b>Clearance/Settlement</b>	Euroclear /Clearstream, Luxembourg	Euroclear /Clearstream, Luxembourg	N/A
<b>Denomination of the Notes</b>	£100,000 (and £1,000 thereafter)	£100,000 (and £1,000 thereafter)	£100,000 (and £1,000 thereafter)
<b>Minimum Holding</b>	£100,000	£100,000	£100,000
<b>Regulation</b>	Reg S	Reg S	Reg S
<b>Initial Purchaser</b>	N/A	N/A	GMAC UK plc

**Ranking of Payments:** The Class A Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves as to payments of interest and principal at all times and will rank senior to the Class B Notes and the Subordinated Notes as to payments of interest and principal at all times.

The Class B Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves as to payments of interest and principal at all times and will rank senior to the Subordinated Notes and will rank junior to the Class A Notes as to payments of interest and principal at all times.

The Subordinated Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves as to payments of interest and principal at all times and will rank junior to the Class A Notes and the Class B Notes as to payments of interest and principal at all times.

Prior to the service of a Note Acceleration Notice, payments of principal and interest will be made in accordance with the Pre-Acceleration Principal Priority of Payments and the Pre-Acceleration Revenue Priority of Payments.

Following the service of a Note Acceleration Notice, amounts received or recovered by the Security Trustee (or a receiver appointed on its behalf) will be made in accordance with Post-Acceleration Priority of Payments.



<b>Security:</b>	The Notes are secured and will share the Security together with the other Secured Liabilities of the Issuer in accordance with the Deed of Charge and Condition 2.2 (Security). Some of the other Secured Liabilities rank senior to the Issuer's obligations under the Notes in respect of the allocation of proceeds as set out in the relevant Priority of Payments.
<b>Interest payable on the Notes:</b>	Please refer to the " <i>Full Capital Structure of the Notes</i> " table above and Condition 4 (Interest) for the relevant interest provisions.
<b>Interest Deferral:</b>	Interest due and payable on the Most Senior Class of Notes will not be deferred. For as long as the Class A Notes are outstanding, interest due and payable on the Class B Notes and the Subordinated Notes may be deferred in accordance with Condition 15.1 (Deferred Interest). If there are no Class A Notes outstanding, and as long as the Class B Notes are outstanding, interest due and payable on the Subordinated Notes may be deferred in accordance with Condition 15.1 (Deferred Interest). Deferred interest will also accrue interest in accordance with Condition 15.1 (Deferred Interest) and such additional interest may also be deferred under Condition 15.1 (Deferred Interest).
<b>Gross up:</b>	Neither the Issuer nor any other person will be obliged to gross up if there is any withholding or deduction for or on account of tax in respect of any payments under the Notes.
<b>Redemption:</b>	<p>The Notes are subject to the following optional or mandatory redemption events (in whole or in part):</p> <ul style="list-style-type: none"> <li>• mandatory redemption in whole on the Final Maturity Date, as fully set out in Condition 6.1 (Redemption at maturity);</li> <li>• mandatory redemption in part on any Interest Payment Date commencing on the first Interest Payment Date subject to availability of Available Principal Receipts (applied in accordance with the Pre-Acceleration Principal Priority of Payments), as fully set out in Condition 6.3 (Mandatory Redemption in part);</li> <li>• optional redemption exercisable by the Issuer in whole on any Interest Payment Date: <ul style="list-style-type: none"> <li>(A) on which the aggregate Principal Amount Outstanding of all of the Notes is equal to or less than 10 per cent. of the aggregate Principal Amount Outstanding of the Notes on the Closing Date; or</li> <li>(B) following redemption in full of the Class A Notes and the Class B Notes, as fully set out in Condition 6.2 (Optional redemption for taxation or other reasons);</li> </ul> </li> <li>• optional redemption exercisable by the Issuer in whole on any Interest Payment Date for tax reasons, as fully set out in Condition 6.2 (Optional redemption for taxation or other reasons).</li> </ul>

Any Note redeemed pursuant to the above redemption provisions will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note plus any accrued amounts of the relevant Note up to (but excluding) the date of redemption.

**Events of Default:**

The Events of Default are fully set out in Condition 9 (Events of Default), and include but are not limited to:

- the Issuer defaults in the payment of any interest on the Most Senior Class of Notes when the same becomes due and payable, and such default continues for a period of ten Business Days;
- 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 five Business Days;
- any other breach of obligations by the Issuer under the Conditions or any Transaction Document to which it is a party where such breach continues for a period of 30 days following the service of notice on the Issuer (unless such breach is considered by the Note Trustee or the Security Trustee (in the case of the Deed of Charge) to be incapable of remedy);  
or
- the occurrence of an Insolvency Event in respect of the Issuer.

**Limited Recourse**

All of the Notes are limited recourse obligations of the Issuer, and, if, after the distribution of all of the Issuer's assets, there are amounts that are not paid in full, any amounts then outstanding are deemed to be discharged in full and any payment rights are deemed to cease.

**Governing Law**

The Notes and the Conditions (and, in each case, any non-contractual obligations arising out of or in connection therewith) will be governed by, and construed in accordance with, the laws of England and Wales. All of the Transaction Documents (and, in each case, any non-contractual obligations arising out of or in connection therewith) are governed by English law or, in the case of certain security and sale provisions, Scots or Northern Irish law.

## RIGHTS OF NOTEHOLDERS

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

### **Prior to an Event of Default:**

Prior to the occurrence of an Event of Default, the Issuer or the Note Trustee may at any time, and Noteholders holding not less than 10 per cent. of the Principal Amount Outstanding of the Notes then outstanding are entitled to, upon requisition in writing to the Issuer, convene a Noteholders' meeting to consider any matter affecting their interests.

### **Following an Event of Default:**

Following the occurrence of an Event of Default, Noteholders may, if they hold not less than 25 per cent. of the Principal Amount Outstanding of the Most Senior Class of Notes then outstanding or if they pass an Extraordinary Resolution, direct the Note Trustee to give a Note Acceleration Notice to the Issuer notifying the Issuer that all classes of the Notes are immediately due and repayable at their respective Principal Amount Outstanding together with accrued interest. In the case of the Issuer failing to perform or observe any of its other obligations under the Conditions or any Transaction Document to which it is a party (other than with respect to the payment of principal and interest when due), such an Extraordinary Resolution will be effective only if the Note Trustee shall also have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Most Senior Class of Notes. The Note Trustee may also, 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.

See further the section entitled "Terms and Conditions of the Notes" for more information.

#### Initial Meeting

#### Adjourned Meeting

### **Noteholders meeting provisions:**

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: 20 per cent. of the Principal Amount Outstanding of the relevant Class of Notes then outstanding for all Ordinary Resolutions; 50 per cent. of the Principal Amount Outstanding of the relevant Class of Notes for the initial meeting to pass an Extraordinary Resolution (other than a Basic Terms Modification, which requires 75 per cent. of the Principal Amount Outstanding of the relevant Class of Notes) Any holding (other than a Basic Terms Modification, which requires 25 per cent. of the Principal Amount Outstanding of the relevant Class of Notes)

Required majority: 50 per cent. of votes cast for matters requiring Ordinary Resolution and 75 per cent. of votes cast for matters requiring Extraordinary Resolution 50 per cent. of votes cast for matters requiring Ordinary Resolution and 75 per cent. of votes cast for matters requiring Extraordinary Resolution

Written Resolution: 75 per cent. of the Principal Amount Outstanding of the relevant class of Notes then outstanding. 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 approve the substitution of any person for the Issuer as principal obligor under the Notes;
- to waive any breach or authorise any proposed breach by the Issuer of its obligations under the Notes or any Transaction Document or any act or omission which might otherwise constitute an Event of Default under the Notes;
- to remove the Note Trustee and/or the Security Trustee and to approve the appointment of a new Note Trustee and/or Security Trustee;

- to authorise the Note Trustee or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
- to discharge or exonerate the Note Trustee from any liability in respect of any act or omission for which it may become responsible under the Trust Deed or the Notes;
- to give any other authorisation or approval which under the Trust Deed or the Notes is required to be given by Extraordinary Resolution; and
- to appoint any persons as a committee to represent the interests of the Noteholders and to convey upon such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution.

**Right of modification  
without Noteholder consent**

Pursuant to and in accordance with the detailed provisions of Condition 11.8, the Note Trustee shall be obliged, without any consent of the Noteholders to concur and to direct the Security Trustee to concur with the Issuer in making any modification (other than a Basic Terms Modification) to the 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) complying with any changes in the requirements of Article 405 of the Capital Requirements Regulation or any other risk retention legislation, regulations or official guidance;
- (c) enabling the Notes to be (or to remain) listed on the Irish Stock Exchange;
- (d) enabling the Issuer or any other Transaction Party to comply with FATCA; or
- (e) complying with any changes in the requirements of Regulation (EU) No 1060/2009 (the **CRA Regulation**).

Amongst other things, the Issuer must certify to the Note Trustee that it has provided at least 30 days' notice to Noteholders of each Class of the proposed modification in accordance with Condition 14 (Notice to Noteholders) and by publication on Bloomberg on the "Company News" screen relating to the Notes. If Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the most senior Class of Notes then outstanding have notified the Issuer in writing that such Noteholders do not consent to the modification then such modification will not be made unless passed by an Extraordinary Resolution of the Noteholders of the most senior Class of Notes then outstanding in accordance with Condition 11 (Meetings of Noteholders, Modification, Waiver).

The Security Trustee shall be obliged, without any consent or sanction of the Noteholders or the other Secured Creditors but subject to the receipt of written consent from any of the Secured Creditors party to the Transaction Document being modified, to concur with the Issuer in making any modification to the Conditions and/or any other Transaction Document in order to enable the Issuer and/or the Swap Counterparty to comply with any obligation which applies to it under EMIR, provided that the Issuer or the Swap Counterparty, as appropriate, certifies to the Security Trustee, the Note Trustee and the Swap Counterparty or 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.

**Relationship between  
Classes of Noteholders:**

Except in respect of certain matters set out in Condition 11 (Meetings of Noteholders, Modification and Waiver) and the Trust Deed and excluding for the avoidance of doubt a Basic Terms Modification in respect of Classes other than the Most Senior Class of Notes, an Extraordinary Resolution of Noteholders of the Most Senior Class of Notes shall be binding on all other Classes. For further details see Condition 11 (Meetings of Noteholders, Modification and Waiver).

A Basic Terms Modification requires an Extraordinary Resolution of the relevant affected Classes of Notes.

**Relationship between  
Noteholders and other  
Secured Creditors:**

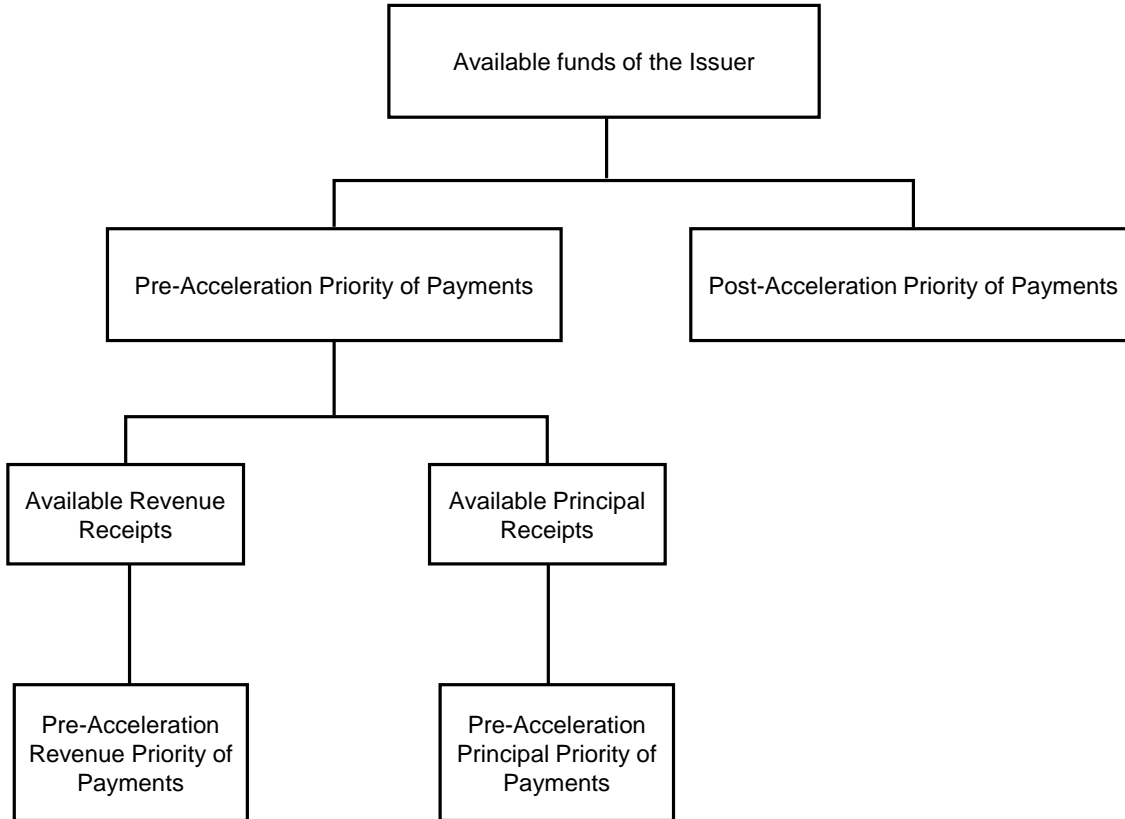
So long as the Notes are outstanding, the Note Trustee will have regard to the interests of both the Noteholders and the other Secured Creditors, but if in the Note Trustee's sole opinion there is a conflict between their interests it will have regard solely to the interests of the Noteholders.

**Provision of Information to  
the Noteholders:**

Information in respect of the underlying Portfolio will be provided to the Noteholders on a monthly basis by the Servicer pursuant to the terms of the Servicing Agreement.

## CREDIT STRUCTURE AND CASHFLOW

Please refer to the section entitled "Cash Management" for further detail in respect of the credit structure and cash flow of the transaction.



### **Funds available to the Issuer:**

The Issuer will use Available Revenue Receipts and Available Principal Receipts for the purposes of making interest and principal payments under the Notes and meeting the Issuer's other payment obligations pursuant to the other Transaction Documents.

### **Available Revenue Receipts:**

For each Interest Payment Date, the **Available Revenue Receipts** will be calculated by the Calculation Agent and communicated to the Cash Manager on or before the immediately preceding Calculation Date and will be an amount equal to the sum of:

- (a) all Revenue Receipts received by the Issuer during the immediately preceding Calculation Period;
- (b) interest received during the immediately preceding Calculation Period on the Issuer Bank Accounts (other than any Swap Collateral Account) and any income received during the immediately preceding Calculation Period relating to any Authorised Investments purchased from amounts standing to the credit of the Issuer Bank Accounts (other than any Swap Collateral Account);

- (c) all amounts then standing to the credit of the Liquidity Reserve Ledger;
- (d) amounts to be received by the Issuer under the Swap Agreement (other than any early termination amount or Replacement Swap Premium and any Swap Collateral, Swap Tax Credits, Excess Swap Collateral or any other amount standing to the credit of the Swap Collateral Account);
- (e) notwithstanding item (d) above, (i) any early termination amount received from the Swap Counterparty in excess of the amount required and applied by the Issuer to purchase one or more replacement Swap Agreements, and (ii) any Replacement Swap Premium received from a replacement Swap Counterparty in excess of the amount required and applied to pay any outgoing Swap Counterparty;
- (f) the aggregate of all Available Principal Receipts (if any) which are (i) applied to make up any Revenue Deficiency on the relevant Interest Payment Date (only to the extent required after calculating any Revenue Deficiency) and (ii) any Surplus Available Principal Receipts;
- (g) any Start-up Costs Proceeds advanced under the Subordinated Loan to the extent that the Cash Manager determines that such amounts are not required to be applied to make payments in respect of any initial costs of the Issuer;
- (h) where the Seller repurchases the Final Receivables in accordance with the terms of the Receivables Sale and Purchase Agreement in respect of an exercise by the Issuer of the Clean Up Call, such amount of the Final Repurchase Price received by the Issuer on such Interest Payment Date representing amounts other than the Outstanding Principal Balance of the Final Receivables as at such Interest Payment Date;
- (i) any Net Recovery Amounts received in respect of the previous Calculation Period; and
- (j) 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;

but, for the avoidance of doubt, excluding any Issuer Profit Amount retained by the Issuer on any prior Interest Payment Date and any amounts which have been applied as Permitted Withdrawals by the Issuer during the immediately preceding Calculation Period.



**Available Principal Receipts:**

For each Interest Payment Date the **Available Principal Receipts** will be calculated by the Calculation Agent and communicated to the Cash Manager on or before the immediately preceding Calculation Date and will be an amount equal to the sum of:

- (a) all Principal Receipts received by the Issuer during the immediately preceding Calculation Period;
- (b) the amounts, if any, to be credited to the Principal Deficiency Ledger pursuant to items (i), (j) and (k) of the Pre-Acceleration Revenue Priority of Payments on the relevant Interest Payment Date;
- (c) the amount, if any, required to redeem in full the Class B Notes to be applied in accordance with item (h) of the Pre-Acceleration Revenue Priority of Payment on the Final Class B Interest Payment Date;
- (d) where the Seller repurchases the Final Receivables in accordance with the terms of the Receivables Sale and Purchase Agreement in respect of an exercise by the Issuer of the Clean Up Call, such amount of the Final Repurchase Price received by the Issuer on such Interest Payment Date representing the Outstanding Principal Balance of the Final Receivables as at such Interest Payment Date;
- (e) an amount equal to any Gross Recovery Amounts minus Net Recovery Amounts in respect of the immediately preceding Calculation Period; and
- (f) 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.

**Summary of Priority of Payments:**

Below is an overview of the Priority of Payments:

<b>Pre-Acceleration Revenue Priority of Payments:</b>	<b>Pre-Acceleration Principal Priority of Payments:</b>	<b>Post-Acceleration Priority of Payments:</b>
<ul style="list-style-type: none"> <li>• Senior expenses<sup>1</sup></li> <li>• Swap Agreement payments other than Subordinated Swap Amounts</li> <li>• <i>Pro rata</i> and <i>pari-passu</i> the Class A Notes Interest Amount</li> <li>• <i>Pro rata</i> and <i>pari-passu</i> the Class B Notes Interest Amount</li> <li>• Liquidity Reserve Ledger up to the Liquidity Reserve Required Amount or (as applicable) to redeem in full the Class B Notes</li> <li>• Class A Principal Deficiency Sub-ledger</li> <li>• Class B Principal Deficiency Sub-ledger</li> <li>• Subordinated Notes Principal Deficiency Sub-ledger</li> <li>• Subordinated Back-Up Servicer Amount</li> </ul>	<ul style="list-style-type: none"> <li>• Revenue Deficiency in respect of senior expenses, the Class A Notes and the Class B Notes (items (a) to (g) of the Pre-Acceleration Revenue Priority of Payments)</li> <li>• Class A Notes Principal Amount</li> <li>• Class B Notes Principal Amount</li> <li>• Subordinated Notes Principal Amount</li> <li>• Any Surplus Available Principal Receipts to be applied as Available Revenue Receipts</li> </ul>	<ul style="list-style-type: none"> <li>• Senior expenses<sup>2</sup></li> <li>• Swap Agreement payments other than Subordinated Swap Amounts</li> <li>• <i>Pro rata</i> and <i>pari-passu</i> the Class A Notes Interest Amount and the Class A Notes Principal Amount</li> <li>• <i>Pro rata</i> and <i>pari-passu</i> the Class B Notes Interest Amount and the Class B Notes Principal Amount</li> <li>• Subordinated Back-Up Servicer Amount</li> <li>• <i>Pro rata</i> and <i>pari-passu</i> the Subordinated Notes Interest Amount and the Subordinated Notes Principal Amount</li> <li>• Subordinated Swap Amounts</li> <li>• Subordinated Loan repayment</li> </ul>

<sup>1</sup> Such amounts including all amounts ranking senior to the payment of interest on the Class A Notes

<sup>2</sup> Such amounts including all amounts ranking senior to the payment of interest on the Class A Notes

- *Pro rata and pari-passu* the Subordinated Notes Interest Amount
- Subordinated Swap Amounts
- Issuer Profit Amount
- Subordinated Loan repayment
- Other amounts owed by the Issuer under the Transaction Documents
- Deferred Purchase Price
- Issuer Profit Amount
- Deferred Purchase Price

**General Credit Structure:** The credit structure of the transaction includes the following elements:

- availability of the Liquidity Reserve, funded initially by the Subordinated Loan Provider on the Closing Date in an amount equal to the higher of £200,000 and 2.0 per cent. of the aggregate of the Principal Amount Outstanding of the Class A Notes and the Class B Notes as at the Closing Date which will be replenished up to the Liquidity Reserve Required Amount in accordance with the Pre-Acceleration Revenue Priority of Payments on each Interest Payment Date. The Liquidity Reserve will be available to pay interest on the Class A Notes and the Class B Notes and senior expenses ranking in priority thereto from the Closing Date up to and including the Final Class B Interest Payment Date. In addition an amount not exceeding the Liquidity Reserve Required Amount on the immediately preceding Interest Payment Date may be applied on the Final Class B Interest Payment Date as Available Principal Receipts (in accordance with the Pre-Acceleration Principal Priority of Payments) to the extent required to redeem the Class B Notes in full and thereafter any excess shall continue to be applied in accordance with the Pre-Acceleration Revenue Priority of Payments;
- application of Available Principal Receipts to fund Revenue Deficiencies in respect of senior expenses and interest payable in respect of the Class A Notes and the Class B Notes (items (a) to (g) inclusive of the Pre-Acceleration Revenue Priority of Payments) **provided that** Available Principal Receipts cannot be applied to pay any shortfall of interest on (i) the Class B Notes where the balance of the Principal Deficiency Ledger is more than 100 per cent. of the Principal

Amount Outstanding of the Subordinated Notes and (ii) the Class A Notes and Class B Notes where the balance of the Principal Deficiency Ledger is more than 100 per cent. of the aggregate Principal Amount Outstanding of the Subordinated Notes and the Class B Notes;

- availability of an interest rate swap provided by the Swap Counterparty 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 Class A Notes and the Class B Notes;
- the subordination of the Class B Notes to the Class A Notes;
- the subordination of the Subordinated Notes to the Class A Notes and the Class B Notes.

See the section entitled "*Credit Structure, Liquidity and Hedging*" for further information.

**Bank Accounts and Cash Management:**

All Collections in respect of the Purchased Receivables in the Portfolio are received by the Servicer in its Collections Accounts. The Servicer is obliged to transfer Collections in respect of the Purchased Receivables in the Portfolio to the Transaction Account within two Business Days. In addition, the Seller has declared a trust over all amounts standing to the credit of the Collections Accounts in favour of the Issuer and itself in accordance with the terms of the Servicing Agreement and the Collections Account Declaration of Trust (as to which see further the section entitled "*Overview of the Transaction Documents – Servicing Agreement*").

## TRIGGERS TABLES

### (A) RATING TRIGGERS TABLE

Transaction Party	Required Ratings	<b>Contractual requirements on occurrence of breach of ratings trigger include the following:</b>
<b>Account Bank</b>	<p>(a) Short-term, unsecured, unguaranteed and unsubordinated debt obligations rated at least A-1 by S&amp;P (if a short-term rating is assigned by S&amp;P), (b) long-term, unsecured and unsubordinated debt or counterparty obligations rated at least A3 by Moody's, A by S&amp;P (or A+ by S&amp;P with respect to the long-term unsecured, unsubordinated and unguaranteed debt obligations, if the short-term unsecured, unsubordinated and unguaranteed debt obligations are not rated by S&amp;P) and A by DBRS, or such other ratings that are consistent with the then published criteria of the relevant Rating Agency as being the minimum ratings that are required to support the then rating of the Class A Notes and the Class B Notes.</p>	<p>The consequence of breach is that the Account Bank must, within 30 days of the breach occurring, do one of the following: (a) close the Transaction Account and open a new replacement account with a financial institution (I) having all the requisite ratings and (II) which is a bank as defined in Section 991 of the Income Tax Act 2007 and which is situated in a Member State of the European Union, and authorised as a credit institution by a competent authority in a Member State of the European Union, for the purposes of Directive 2006/48/EC on credit institutions, (b) a guarantee in support of the Account Bank's obligations under the Account Bank Agreement is obtained from a financial institution having all the requisite ratings, or (c) carry out such other actions as may be requested by the parties to Account Bank Agreement (other than the Security Trustee) to maintain the rating of the Class A Notes and the Class B Notes immediately prior to 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 or the Calculation Agent (with prior written notice to the Security Trustee) by providing not less than 30 days' prior written notice to the Account Bank (such termination being effective on a replacement account bank being appointed by the Issuer).</p>

Transaction Party	Required Ratings	Contractual requirements on occurrence of breach of ratings trigger include the following:
Swap Counterparty	<p><b>S&amp;P long-term and short-term unsecured, unsubordinated and unguaranteed debt rating requirements</b></p>	<p>Subject to the terms of the Swap Agreement, the consequence of breach is that the Swap Counterparty will be obliged to (a) post collateral and may be required to (b) (i) procure a transfer to an eligible replacement of its obligations under the Swap Agreement or (ii) procure a guarantee from an eligible guarantor in respect of its obligations under the Swap Agreement or (iii) take such other action as required to maintain or restore the rating of the Class A Notes and the Class B Notes by S&amp;P.</p>
	<p>Long-term rating at least "A" and short-term rating at least "A-1" or, failing this, long-term rating at least "A+" (or such rating as may be specified in the Swap Agreement in accordance with the relevant S&amp;P Replacement Option (as such term is defined in the Swap Agreement))</p>	<p>Subject to the terms of the Swap Agreement, the consequence of breach is that the Swap Counterparty will be obliged to (a) post collateral and may be required to (b) use commercially reasonable efforts to take one of the following actions: (i) to procure a transfer to an eligible replacement of its obligations under the Swap Agreement or (b) procure a guarantee from an eligible guarantor in respect of its obligations under the Swap Agreement or (c) take such other action as required to maintain or restore the rating of the Class A Notes and the Class B Notes by S&amp;P.</p>
	<p>Long-term rating at least "BBB+" (or such rating as may be specified in the Swap Agreement in accordance with the relevant S&amp;P Replacement Option (as such term is defined in the Swap Agreement))</p>	

Transaction Party	Required Ratings	Contractual requirements on occurrence of breach of ratings trigger include the following:
<p><b>Moody's long-term unsecured, unsubordinated and unguaranteed debt rating requirements</b></p>	<p>Long-term rating of at least "A3" or above</p>	<p>Subject to the terms of the Swap Agreement, the consequence of breach is that the Swap Counterparty will be obliged to post collateral.</p>
	<p>Long-term rating at least "Baa1"</p>	<p>Subject to the terms of the Swap Agreement, the consequence of breach is that the Swap Counterparty will be obliged to (a) procure a transfer to an eligible replacement of its obligations under the Swap Agreement or (b) procure a guarantee from an eligible guarantor in respect of its obligations under the Swap Agreement.</p>
<p><b>DBRS's long-term unsecured, unsubordinated and unguaranteed debt rating requirements</b></p>	<p>Long-term rating of at least "A" or above (or its equivalent in accordance with the terms of the Swap Agreement)</p>	<p>The consequence of breach is that the Swap Counterparty will be obliged to (a) post collateral or (b) (i) procure a transfer to an eligible replacement of its obligations under the Swap Agreement or (ii) procure a guarantee from an eligible guarantor in respect of its obligations under the Swap Agreement or (iii) take such other action as may be agreed with DBRS to maintain or restore the rating of the Class A Notes and the Class B Notes by DBRS.</p>

Transaction Party	Required Ratings	Contractual requirements on occurrence of breach of ratings trigger include the following:
	Long-term rating of at least "BBB" or above (or its equivalent in accordance with the terms of the Swap Agreement)	The consequence of breach is that the Swap Counterparty will be obliged to (a) post collateral and (b) use commercially reasonable efforts to (i) procure a transfer to an eligible replacement of its obligations under the Swap Agreement or (ii) procure a guarantee from an eligible guarantor in respect of its obligations under the Swap Agreement or (iii) take such other action as may be agreed with DBRS to maintain or restore the rating of the Class A Notes and the Class B Notes by DBRS.



(B) NON-RATING TRIGGERS TABLE

Nature of Trigger	Description of Trigger	Contractual requirements on occurrence of breach of trigger include the following:
<b>Perfection Events</b>  See the section entitled " <i>Overview of the Transaction Documents – Receivables Sale and Purchase Agreement</i> " for further information.	The occurrence of any of the following:  (a) 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) in accordance with the terms of the Receivables Sale and Purchase Agreement; or  (b) unless otherwise agreed in writing by the Security Trustee, a Servicer Termination Event occurs; or  (c) the Seller calling for perfection or transfer of legal title by serving notice in writing to that effect on the Issuer and the Security Trustee; or  (d) the occurrence of an Insolvency Event in respect of the Seller.	Customers will be notified of the sale and assignment to the Issuer and legal title to the Purchased Receivables will be transferred to the Issuer.  Further, customers will be directed to pay amounts outstanding in respect of Purchased Receivables directly to the Issuer and instructions will be made to make transfers from the Collections Account to the Transaction Account.
<b>Servicer Termination Event</b>  See the section entitled " <i>Overview of the Transaction Documents – Servicing Agreement</i> " for further information.	The occurrence of any of the following:  (a) default in payment of amounts due to be paid by the Servicer under the Servicing Agreement and unremedied for 5 Business Days; or	Following the occurrence of a Servicer Termination Event the Issuer may terminate the appointment of the Servicer under the Servicing Agreement.  Further, at any time, the Servicer may also resign its appointment on no less than 12 months' written

Nature of Trigger	Description of Trigger	Contractual requirements on occurrence of breach of trigger include the following:
<ul style="list-style-type: none"> <li data-bbox="588 383 1007 546">(b) material non-compliance with other covenants or obligations and unremedied for 60 days; or</li> <li data-bbox="588 591 1007 824">(c) failure by the Servicer to maintain any regulatory licence or approval required under the Servicing Agreement and unremedied for 60 days; or</li> <li data-bbox="588 869 1007 958">(d) an Insolvency Event occurs in respect of the Servicer.</li> </ul>	<p data-bbox="1034 353 1445 622">notice to, among others, the Issuer and the Security 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.</p>	
<p data-bbox="150 999 560 1059"><b>Cash Manager Termination Event</b></p> <p data-bbox="150 1099 560 1227">See the section entitled "<i>Overview of the Transaction Documents – Cash Management Agreement</i>" for further information.</p>	<p data-bbox="588 999 1007 1059">The occurrence of any of the following:</p> <ul style="list-style-type: none"> <li data-bbox="588 1099 1007 1332">(a) an order is made or a resolution is passed for the administration, winding up, dissolution or other similar or analogous procedure in respect of such entity ; or</li> <li data-bbox="588 1377 1007 1574">(b) such entity enters into any voluntary arrangement, scheme or arrangement, composition or arrangement with creditors; or</li> <li data-bbox="588 1619 1007 1951">(c) any receiver, receiver and manager, manager, administrative receiver, administrator or liquidator or any similar or analogous official is appointed in respect of the whole or substantially the whole of the property of the Cash Manager; or</li> </ul>	<p data-bbox="1034 999 1445 1196">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 data-bbox="1034 1240 1445 1749">Further at any time, the Cash Manager may also resign its appointment on no less than 60 days' written notice to, among others, the Issuer and the Security 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 data-bbox="1034 1794 1445 1921">If the Cash Manager's appointment is terminated, the Issuer shall identify a suitable entity to act as Replacement Cash</p>

Nature of Trigger	Description of Trigger	Contractual requirements on occurrence of breach of trigger include the following:
(d)	the Cash Manager ceases or threatens to cease to carry on its business or a substantial part of its business or stops payment or threatens to stop payment of its debts or is deemed unable to pay its debts or becomes unable to pay its debts as they fall due; or	Manager which must first be approved by the Security Trustee.
(e)	the Cash Manager fails to make a deposit or a payment when required to be made by the Cash Manager under the Cash Management Agreement (subject to there being sufficient funds in the relevant Issuer Bank Account for such purpose and the Cash Manager having received all material information that is to be provided by any other party which is required for the Cash Manager to be able to perform its payment duties hereunder) and such failure remains unremedied for 5 Business Days; or	

Nature of Trigger	Description of Trigger	Contractual requirements on occurrence of breach of trigger include the following:
<b>Calculation Agent Termination Event</b>	(f) such entity fails to perform or observe any of its material duties, obligations, covenants or services under the Cash Management Agreement and such default continues unremedied for a period of 60 days after the earlier of (I) the entity becoming aware of such default or (II) receipt by the entity of notice from the Issuer, the Calculation Agent or the Security Trustee requiring the same to be remedied.	Following the occurrence of a Calculation Agent Termination Event the Issuer may terminate the appointment of the Calculation Agent under the Calculation Agency Agreement.
See the section entitled " <i>Overview of the Transaction Documents – Calculation Agency Agreement</i> " for further information.	(a) an Insolvency Event occurs in respect of the Calculation Agent; or	Further, at any time, the Issuer may also, with the prior approval of the Security Trustee, terminate the appointment of the Calculation Agent by giving the Calculation Agent 30 days' prior notice without a Calculation Agent Termination Event having occurred. The Calculation Agent may also resign its appointment on no less than 60 days' written notice to the Issuer and the Security Trustee provided that such resignation shall not take effect until the Issuer has appointed a successor calculation agent and prior to a Calculation Agent Termination Event, the Calculation Agent has consented to the appointment of a successor calculation agent.
	(b) the Calculation Agent enters into any voluntary arrangement, scheme or composition with creditors; or	
	(c) the Calculation Agent fails to perform or observe any of its material duties, obligations, covenants or services under the Calculation Agency Agreement or the Cash Management Agreement and such default is continuing unremedied or is not waived for a period of 10 Business Days after the earlier of (A) the Calculation Agent becoming aware of such default or (B) receipt by the Calculation Agent of	If the Calculation Agent's appointment is terminated, the

<b>Nature of Trigger</b>	<b>Description of Trigger</b>	<b>Contractual requirements on occurrence of breach of trigger include the following:</b>
	written notice from the Issuer or the Security Trustee requiring the same to be remedied	Issuer shall appoint a successor calculation agent. If the Issuer has not appointed a replacement Calculation Agent by the day falling 10 days before the expiry of any notice of the Calculation Agent being terminated, the Calculation Agent shall be entitled, on behalf of the Issuer, to appoint a successor Calculation Agent in its place which the Issuer shall approve.

## FEES

The following table sets out certain of the ongoing fees to be paid by the Issuer to the Transaction Parties.

<u>Type of Fee</u>	<u>Amount of Fee</u>	<u>Priority in Cashflow</u>	<u>Frequency</u>
Servicer Fee	1 per cent. per annum of the Outstanding Principal Balance of the Purchased Receivables in the Portfolio (inclusive of VAT)	Ahead of all outstanding Notes	Monthly in arrears on each Interest Payment Date
Other ongoing fees and expenses of the Issuer	Estimated at £43,000	Ahead of all outstanding Notes	Per annum.
Expenses related to the admission to trading of the Notes	Listing fees – estimated at EUR 5,541.20	N/A	On or about the Closing Date

## EU RISK RETENTION REQUIREMENTS

GMAC UK plc as seller will retain a material net economic interest of not less than 5 per cent. in the securitisation in accordance with the text of paragraph (d) of Article 405(1) of the Capital Requirements Regulation and paragraph (d) of Article 51(1) of the AIFM Regulation (which, in each case, does not take into account any corresponding national measures). As at the Closing Date, such interest will be comprised of the Subordinated Notes, which constitute an interest in the first loss tranche as required by the text of each of paragraph (d) of Article 405(1) of the Capital Requirements Regulation and paragraph (d) of Article 51(1) of the AIFM Regulation. Any change to the manner in which such interest is held will be notified to Noteholders. GMAC UK plc has provided a corresponding undertaking with respect to the interest to be retained by it to the Joint Lead Managers and the Co-Managers in the Subscription Agreement.

As to the information made available to prospective investors by the Issuer, reference is made to the information set out herein and forming part of this prospectus and, after the Closing Date, to the Monthly Investor Reports prepared by the Cash Manager on the basis of a Calculation Report prepared by the Calculation Agent. In such Monthly Investor Report relevant information with regard to the Purchased Receivables will be disclosed publicly together with an overview of the retention and/or any changes in the method of retention of the material net economic interest by the Seller for the purposes of which the Servicer will provide the Calculation Agent with all information reasonably required with a view to complying with Article 409 of the Capital Requirements Regulation.

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with each of Part Five of the Capital Requirements Regulation (including Article 405), Section Five of Chapter III of the AIFM Regulation (including Article 51) and any corresponding national measures which may be relevant and any other regulation that may apply to particular classes of investors and none of the Issuer, GMAC UK plc (in its capacity as the Seller or the Servicer or in any other capacity), Elavon Financial Services Limited (in its capacity as the Cash Manager), the Joint Lead Managers or the Co-Managers makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes.

For further information on the requirements referred to above and the corresponding risks please refer to the Risk Factor entitled "*Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes*".

## RISK FACTORS

*The following is a summary of certain factors which prospective investors should consider before deciding to purchase the Notes. The following statements are not exhaustive; prospective investors are requested to consider all the information in this Prospectus, make such other enquiries and investigations as they consider appropriate and reach their own views prior to making any investment decisions.*

### 1. Structural Considerations

#### *Obligation of the Issuer only*

The Notes will be contractual obligations solely of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, the Note Trustee, the Security Trustee, the Share Trustee, the Agents, the Irish Listing Agent, the Account Bank, the Cash Manager, the Calculation Agent, the Corporate Services Provider, the Servicer, the Back-Up Servicer, the Seller, the Subordinated Loan Provider, Holdings, the Swap Counterparty, the Joint Lead Managers or the Co-Managers or any other parties to the Transaction Documents.

#### *The Issuer's ability to meet its obligations under the Notes*

The Issuer is a special purpose company with no business operations other than the issue of the Notes, the acquisition of its interest in the Purchased Receivables, the entry into the Swap Agreement, the borrowing of money under the Subordinated Loan Agreement and certain ancillary arrangements. The ability of the Issuer to meet its obligations under the Notes and its operating, administrative and other expenses will be dependent on the following:

- (a) the receipt by it of funds principally from the Purchased Receivables, which in turn will be dependent upon:
  - (i) the receipt by the Servicer or its agents of Collections from Customers in respect of the Purchased Receivables and the payment of those amounts by the Servicer in accordance with the Servicing Agreement and the Receivables Sale and Purchase Agreement; and
  - (ii) the receipt by the Issuer of amounts due to be paid by the Seller as a result of any repurchase of Non-Compliant Receivables by the Seller or payment of the CCA Compensation Amount or the Receivables Indemnity Amount;
- (b) the receipt by the Issuer of any net payments which the Swap Counterparty is required to make under the Swap Agreement;
- (c) receipt by the Issuer on the Closing Date of amounts under the Subordinated Loan Agreement;
- (d) interest income earned on cash balances held by the Issuer (if any);
- (e) receipt by the Issuer of payments (if any) under the other Transaction Documents in accordance with the terms thereof; and
- (f) following service of a Note Acceleration Notice, the proceeds of enforcement of the Charged Property (other than any Excess Swap Collateral).



Other than those amounts, the Issuer will not have any other material funds available to it to meet its obligations in respect of the Notes and its obligations ranking in priority to or *pari passu* with the Notes.

As the Purchased Receivables are the primary component of the Charged Property, and the ability of the Issuer to make payments on the Notes is based on the performance of the Portfolio, the Issuer is ultimately subject to the risk that the amount of Defaulted Receivables in the Portfolio rises above certain levels, resulting in the Servicer being unable to realise, collect or recover sufficient funds and ultimately resulting in the Issuer being unable to discharge its obligations in respect of payments of interest and of principal on the Notes. In addition, in respect of Voluntarily Terminated Receivables and Defaulted Receivables, the Seller is required to account for Vehicle Sales Proceeds and Recoveries to the Issuer. Such Vehicle Sales Proceeds and Recoveries may not be sufficient to cover the difference between the Initial Purchase Price paid by the Issuer for the related Receivable and the Principal Elements of all amounts received by the Issuer in respect of the related Receivable, ultimately resulting in the Issuer being unable to discharge its obligations in respect of payments of interest and of principal on the Notes.

These risks are addressed in relation to the Notes of each Class (in the order of priority applicable to it) in part by the credit support provided by the subordination of the Class B Notes and the Subordinated Notes, together with the availability of the Liquidity Reserve to, among other things, pay interest on the Class A Notes and the Class B Notes. There can be, however, no assurance that the levels of credit support provided will be adequate to ensure timely and full payment of all amounts due under each Class of Notes.

The Issuer's ability to make full and timely payments of interest and principal on the Notes will be dependent on the Servicer performing its obligations under the Servicing Agreement to collect amounts due and payable by Customers into the Collections Accounts and transfer amounts so collected to the Transaction Account, and on payments actually being made by Customers or guarantors thereof (in respect of whom no security has been or will be taken to secure such payment obligations), and receipt of amounts otherwise realised or recovered from or in respect of the Purchased Receivables and the Ancillary Rights relating thereto.

The various risks existing in respect of payments of interest and principal due on the Notes are, to some extent, mitigated by the availability of support provided by the credit structure. The establishment of the Liquidity Reserve will be funded on the Closing Date by the Liquidity Reserve Proceeds advanced under the Subordinated Loan and thereafter up to the Liquidity Reserve Required Amount from Available Revenue Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments on each Interest Payment Date. The Liquidity Reserve will cover, *inter alia*, the risk of delayed payment or non-payment in respect of the Purchased Receivables and, from the Closing Date to and including the Final Class B Interest Payment Date, will be used towards paying items (a) to (g) of the Pre-Acceleration Revenue Priority of Payments. On the Final Class B Interest Payment Date, amounts not exceeding the Liquidity Reserve Required Amount on the immediately preceding Interest Payment Date may be applied as Available Principal Receipts and shall be applied in accordance with the Pre-Acceleration Principal Priority of Payments to the extent required to redeem the Class B Notes and thereafter any excess shall continue to be applied in accordance with the Pre-Acceleration Revenue Priority of Payments. If, however, the levels of delayed payment or non-payment in respect of Purchased Receivables exceed those assumed for the purposes of determining the credit structure and the sizing of the different components thereof, the Issuer may have insufficient funds to pay in full principal and interest in respect of the Notes and other amounts ranking in priority to or *pari passu* with principal and interest which are due on any Interest Payment Date.

Upon enforcement of the security for the Notes and the other Secured Liabilities, the Security Trustee will (subject to it being instructed and indemnified, and/or pre-funded, and/or secured to its satisfaction by the Noteholders in accordance with the Deed of Charge) have recourse to the Charged Property (including the Purchased Receivables and all other assets of the Issuer then in existence including the rights of the Issuer against the Swap Counterparty under the Swap Agreement and the amount standing to the credit of the Issuer Bank Accounts but excluding, for the avoidance of doubt, any Excess Swap Collateral). The Issuer and the Security Trustee will have no recourse against GMAC UK plc other than, among other things, its indirect right (a) as provided in the Receivables Sale and Purchase Agreement for breach of warranty and for breach of other obligations by GMAC UK plc as Seller, (b) in relation to the Servicing Agreement for breach of GMAC UK plc's obligations as Servicer thereunder and (c) in relation to the Calculation Agency Agreement for breach of GMAC UK plc's obligations as Calculation Agent thereunder.

In addition, neither the Issuer nor the Security Trustee will have any general right of recourse to GMAC UK plc. The Deed of Charge provides that, upon enforcement, certain payments (including all amounts payable to any receiver appointed under the Deed of Charge, the Note Trustee and the Security Trustee), including costs of enforcement, notwithstanding the fact that the Security Trustee has been directed to enforce the security by the Noteholders and the fees and expenses payable to a substitute administrator, subject to a limit, and payments due to the Swap Counterparty under any Swap Agreement, will be made in priority to payments in respect of interest on the Class A Notes and the Class B Notes, and all such payments will rank ahead of, among other things, all amounts then owing to the Subordinated Noteholders.

### ***Subordination***

As indicated above, in respect of the obligations of the Issuer to pay interest and repay principal on the Notes, the Conditions and the Deed of Charge will provide both upon and prior to enforcement that (i) the Subordinated Notes are subordinated to the Class A Notes and the Class B Notes, (ii) the Class B Notes are subordinated to the Class A Notes, and (iii) the Notes of each Class are subordinated to the rights of the Secured Creditors ranking higher than that Class in the applicable Priority of Payments and are subordinated generally to the claims of all Related Third Party Creditors of the Issuer.

### ***Limited Recourse Obligations of the Issuer***

All payment obligations of the Issuer under the Notes constitute limited recourse obligations to pay. Therefore, the Noteholders will have a claim under the Notes against the Issuer only and only to the extent of the security granted pursuant to the Deed of Charge which includes, *inter alia*, amounts received by the Issuer under the Purchased Receivables and under the other Transaction Documents. The Charged Property may not be sufficient to pay amounts due under the Notes, which may result in a shortfall in amounts available to pay interest and principal on the Notes.

The Notes shall not give rise to any payment obligation in addition to the foregoing. The enforcement of the payment obligations under the Notes shall only be effected by the Security Trustee in accordance with the Deed of Charge. Upon enforcement of the Security by the Security Trustee, if:

- (a) there is no Charged Property remaining which is capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Charged Property have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Deed of Charge; and

- (c) there are insufficient amounts available from the Charged Property to pay in full, in accordance with the provisions of the Deed of Charge, amounts outstanding under the Notes (including payments of principal and interest),

then the Secured Creditors (which include the Noteholders) shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal and interest in respect of the Notes) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

Each Secured Creditor agrees that if any amount is received by it (including by way of set-off) in respect of any secured obligation owed to it other than in accordance with the provisions of the Deed of Charge, then an amount equal to the difference between the amount so received by it and the amount that it would have received had it been paid in accordance with the provisions of the Deed of Charge shall be received and held by it as trustee for the Note Trustee and shall be paid over to the Note Trustee immediately upon receipt so that such amount can be applied in accordance with the provisions of the Deed of Charge.

#### ***Absence of a secondary market and market value of the Notes***

Although the Prospectus has been approved by the Central Bank as competent authority under the Prospectus Directive and application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market, there is not, at present, an active and liquid secondary market for the Notes. There can be no assurance that a secondary market for any of the Notes will develop or, if a secondary market does develop, that it will provide the holders of such Notes with liquidity of investment or that it will continue for the life of the Notes. Consequently, any purchaser of the Notes must be prepared to hold the Notes until final redemption or earlier application in full of the proceeds of enforcement of the Charged Property by the Security Trustee and, in certain cases, as a result of any early redemption of the Notes as to which see further below. The market price of the Notes could be subject to fluctuation in response to, among other things, variations in the value of the Purchased Receivables, the market for similar securities, prevailing interest rates, changes in regulation and general market and economic conditions. It should not be assumed that there will be a significant correlation between the market value of the Notes and the market value of the Purchased Receivables.

In addition, potential investors in Notes should be aware of the prevailing and widely reported global credit market conditions (which continue at the date hereof), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Notes. Specifically, the secondary markets have experienced disruptions resulting from reduced investor demand for asset-backed securities and increased investor yield requirements for those securities. As a result, the secondary market for asset-backed securities has experienced extremely limited liquidity which has had a severe adverse effect on the market value of asset-backed securities such as the Notes. Limited liquidity in the secondary market may continue to have a severe adverse effect on the market value of asset-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors. Furthermore, the market values of the Notes are likely to fluctuate with changes in prevailing rates of interest, market perceptions of risks associated with the Notes, supply and other market conditions. Any such fluctuation may be significant and could result in significant losses to investors in the Notes or in the sale of Notes by Noteholders in any secondary market transaction at a discount to the original price of such Notes. In addition, the forced sale into the market of asset-backed securities held by investors that are currently experiencing funding difficulties due to uncertainty about the financial stability of several countries in the European Union, the increasing risk that those countries may default on their sovereign debt, and related

stresses on financial markets, could adversely affect an investor's ability to sell, and/or the price an investor receives for, the Notes in the secondary market.

The Issuer cannot predict when these circumstances will change nor, if and when they do, whether conditions of general market illiquidity for the Notes and instruments similar to the Notes will return in the future. Consequently, any purchaser of the Notes must be prepared to hold such Notes for an indefinite period of time or until final redemption or maturity of such Notes. The Joint Lead Managers and the Co-Managers are under no obligation to assist in the resale of the Notes. If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

***The Notes may not be a suitable investment for all investors***

The Notes are complex securities and investors should possess, or seek the advice of advisers with, the expertise necessary to evaluate the information contained in this Prospectus in the context of such investor's individual financial circumstances and tolerance for risk. An investor should not purchase Notes unless it understands the principal repayment, credit, liquidity, market and other risks associated with the Notes.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (a) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Prospectus;
- (b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and
- (e) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Neither the Issuer 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.

A potential investor should not invest in the Notes, which are complex financial instruments, unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

See also Risk Factors – *Regulatory Initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes.*

### ***Market disruption***

The Rate of Interest in respect of the Class A Notes and the Class B Notes for each Interest Period will be one-month Sterling LIBOR plus 0.41% and one-month Sterling LIBOR plus 0.95% respectively, determined in accordance with Condition 4.3 (Rate of Interest). The Rate of Interest in respect of the Subordinated Notes will accrue at a per annum fixed rate equal to 5.50% determined in accordance with Condition 4.3 (Rate of Interest). Condition 4.3 (Rate of Interest) contains provisions for the calculation of such underlying rates, in respect of the Class A Notes and the Class B Notes, based on rates given by various market information sources and Condition 4.3 (Rate of Interest) contains an alternative method of calculating the underlying rate should any of those market information sources be unavailable. The market information sources might become unavailable for various reasons, including suspensions or limitations on trading, events which affect or impair the ability of market participants in general, or early closure of market institutions. These could be caused by physical threats to the publishers of the market information sources, market institutions or market participants in general, or unusual trading, or matters such as currency changes.

### ***Limited enforcement rights***

Condition 10 (Enforcement) limits the ability of the Noteholders of each Class to take individual action against the Issuer or any of the Charged Property in any circumstances except where the Note Trustee or the Security Trustee, having become bound to take action against the Issuer, fails to do so within a reasonable period of becoming so bound and prevents the Noteholders of each Class from taking or joining in taking steps for the purpose of petitioning for Insolvency Proceedings or other similar or analogous proceedings in respect of the Issuer.

In addition, pursuant to Condition 10 (Enforcement), following the occurrence of an Event of Default the Note Trustee cannot be required to direct the Security Trustee to enforce, and the Security Trustee cannot be required to enforce, the Security except pursuant to a request in writing of the holders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes or an Extraordinary Resolution of the holders of the Most Senior Class of Notes (subject, in each case, to being indemnified and/or secured to its satisfaction). For the avoidance of doubt, pursuant to Condition 9.1 (Events of Default), the Note Trustee may serve a Note Acceleration Notice at its absolute discretion following the occurrence of an Event of Default.

### ***Deferral of Interest Payments***

If, on any Interest Payment Date whilst any of the Class A Notes remains outstanding, the Issuer has insufficient funds to make payment in full of all amounts of interest (including any accrued interest thereon) payable in respect of the Class B Notes and the Subordinated Notes after having paid or provided for items of higher priority in the Pre-Acceleration Revenue Priority of Payments, then the Issuer will be entitled under Condition 15 (Subordination by Deferral of Interest) to defer payment of that amount (to the extent of the insufficiency) 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. This will not constitute an Event of Default. If there are no Class A Notes outstanding, and as long as the Class B Notes are outstanding, interest due and payable on the Subordinated Notes may be deferred in accordance with Condition 15.1 (Deferred Interest).

If there are no Class A Notes and Class B Notes outstanding, the Issuer will not be entitled, under Condition 15 (Subordination by Deferral of Interest), to defer payments of interest in respect of the Subordinated Notes.

Failure to pay interest on the Most Senior Class of Notes when the same becomes due and payable only shall constitute an Event of Default under the Notes which may result in the Note Trustee directing the Security Trustee to enforce the Security.

#### ***Rights available to Holders of Notes of different Classes***

In performing its duties as Note Trustee for the Noteholders, the Note Trustee will have regard to the interests of all Noteholders. Where, however, there is a conflict between the interests of the holders of one Class of Notes and the holders of any other Class(es) of Notes, the Note Trustee will (other than as set out in the Trust Deed, in particular with regards to modifications, consents and waivers) be required to have regard only to the holders of the Most Senior Class of Notes outstanding and will not have regard to any lower ranking Class of Notes nor to the interests of the other Secured Creditors except to ensure the application of the Issuer's funds in accordance with the relevant Priority of Payments.

#### ***Meetings of Noteholders, Modification and Waiver***

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

The Conditions also provide that the Note Trustee or, as the case may be, the Security Trustee, may agree, without the consent of the Noteholders or the other Secured Creditors (but, in the case of the Security Trustee only, with the written consent of the Secured Creditors which are a party to the relevant Transaction Document), to (i) any modification of, or the waiver or authorisation of, any breach or proposed breach of, the Conditions of the Notes or any of the Transaction Documents which is not, in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders or (ii) any modification which, in the Note Trustee's opinion is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Note Trustee, proven, or is necessary to comply with any mandatory provisions of law. In respect of an occurrence of an Event of Default specified in paragraph (d) of Condition 9.1 (Events of Default), prior to serving a Note Acceleration Notice on the Issuer, with a copy to the Security Trustee, the Note Trustee must certify in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Most Senior Class of Notes then outstanding. The Note Trustee may also, 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. See Condition 11.10.

The Security Trustee shall be obliged, without any consent or sanction of the Noteholders or the other Secured Creditors but subject to the receipt of written consent from any of the Secured Creditors party to the Transaction Document being modified, to concur with the Issuer in making any modification to the Conditions and/or any other Transaction Document in order to enable the Issuer or the Swap Counterparty to comply with any requirements which apply to it under Regulation (EU) 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 (including, without limitation, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators (the **European Market Infrastructure Regulation** or **EMIR**), provided that

the Issuer or the Swap Counterparty, as appropriate, certifies to the Security Trustee, the Note Trustee and the Swap Counterparty or 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.

Further, the Note Trustee may also be obliged and may be obliged to direct the Security Trustee, in certain circumstances, to agree to amendments to the Conditions and/or the Transaction Documents for the purpose of (i) 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, (ii) complying with certain risk retention legislation, regulations or official guidance in relation thereto, (iii) enabling the Notes to be (or to remain) listed on the Irish Stock Exchange, (iv) 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) and (v) complying with any changes in the requirements of the CRA Regulation after the Closing Date (each a **Proposed Amendment**), without the consent of Noteholders.

In relation to any such Proposed Amendment, the Issuer is required, amongst other things, to certify in writing to the Note Trustee that the Issuer has provided at least 30 calendar days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 14 (Notice to Noteholders) and by publication on Bloomberg on the "Company News" screen relating to the Notes. However, Noteholders should be aware that, in relation to each Proposed Amendment, if Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the most senior Class of Notes then outstanding have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period notifying the Issuer that such Noteholders do not consent to the modification, the modification will be passed without Noteholder consent.

If Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the most senior Class of Notes then outstanding have notified the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes 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 Noteholders of the most senior Class of Notes then outstanding is passed in favour of such modification in accordance with Condition 11 (Meetings of Noteholders, Modification, Waiver).

The full requirements in relation to the modifications discussed above are set out in the Deed of Charge and Condition 11.8.

There can be no assurance that the effect of such modifications to the Transaction Documents will not ultimately adversely affect the interests of the holders of one or all Classes of Notes.

#### ***Certain material interests***

Certain parties to the transaction may perform multiple roles, including GMAC UK plc, who will act as Seller, Servicer, Calculation Agent and Subordinated Loan Provider and Elavon Financial Services Limited, who will act as Cash Manager, Account Bank, Principal Paying Agent, Registrar and Agent Bank.

The terms of the Transaction Documents do not prevent any of the parties to the Transaction Documents from rendering services similar to those provided for in the Transaction Documents to other persons, firms or companies or from carrying on any business similar to or in competition with the business of any of the parties to the Transaction Documents.

Accordingly, conflicts of interest may exist or may arise as a result of parties to this transaction:

- (a) having previously engaged or in the future engaging in transactions with other parties to the transaction;
- (b) having multiple roles in this transaction; and/or
- (c) carrying out other transactions for third parties.

***Ratings of the Class A Notes and the Class B Notes***

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the Rating Agencies. The ratings assigned to the Class A Notes and the Class B Notes should be evaluated independently from similar ratings on other types of securities. There is no assurance that the ratings will continue for any period of time or that they will not be lowered, reviewed, suspended or withdrawn by the Rating Agencies. In the event that the ratings initially assigned to the Class A Notes and the Class B 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 Class A Notes and/or the Class B Notes. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact upon the value of the Notes.

The ratings assigned to the Class A Notes and the Class B Notes by each Rating Agency are based, amongst other things, on the terms of the Transaction Documents, the credit quality of the Portfolio, the extent to which the Customers' payments under the Purchased Receivables are adequate to make the payments required under the Class A Notes and the Class B Notes as well as other relevant features of the structure, including, (but not limited to) the short-term and/or long-term unsecured, unguaranteed and unsubordinated debt ratings of the Seller, the Swap Counterparty, the Servicer and the Account Bank, a credit assessment of the Receivables in the Portfolio, and reflect only the views of the Rating Agencies. The ratings address the likelihood of full and timely receipt by the Noteholders of interest on the Class A Notes and the Class B Notes and the likelihood of receipt by the Noteholders of principal of the Class A Notes and the Class B Notes by the Final Maturity Date.

Further events, including events affecting the Account Bank, the Seller, the Swap Counterparty and the Servicer (or the Back-Up Servicer as the case may be) could also have an adverse effect on the rating of the Class A Notes and the Class B Notes.

It should be noted that at any time any Rating Agency may revise its relevant rating methodology with the result that, amongst other things, any rating assigned to the Class A Notes or the Class B Notes may be affected.

In order for the Transaction Documents to comply with new rating methodologies, amendments may need to be made to the Transaction Documents and the consent of the Noteholders may, in certain circumstances, be required to implement such amendments. Noteholders should note that, if the amendments required to comply with such new rating methodologies are not implemented, this may ultimately have an adverse impact on the ratings assigned by the relevant Rating Agency to the Class A Notes and the Class B Notes.

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



### ***Unsecured rights against GMAC UK plc***

The Issuer's claims against GMAC UK plc arising as a result of the disposal of the related Vehicles (including in circumstances where the Seller has exercised the Defaulted Receivables Call Option and is to account to the Issuer for the proceeds of any realisation), are unsecured contractual claims against GMAC UK plc. The Issuer is therefore dependent upon GMAC UK plc actually recovering such proceeds from the sale of any Vehicles and remitting to the Issuer any proceeds of such realisation. To the extent GMAC UK plc does not adequately carry out its recovery procedures as against a Customer or with respect to any Vehicles or otherwise account for any proceeds of such action to the Issuer, the Issuer's ability to make payments on the Notes may be adversely affected.

### ***Voluntarily Terminated Receivables and Repayment of the Notes***

In the event that a Customer has paid at least 50 per cent. of the total amount payable for the Vehicle under the relevant Underlying Agreement, the Customer may, pursuant to sections 99 and 100 of the Consumer Credit Act 1974 (the CCA), terminate the relevant Underlying Agreement without making further monthly payments for the relevant Vehicle. In order to terminate the relevant Underlying Agreement, the Customer is required to notify GMAC UK plc in writing and upon notification, GMAC UK plc will arrange recovery of the Vehicle. Following such notification and recovery of the Vehicle by GMAC UK plc, the Seller is under an obligation pursuant to the Receivables Sale and Purchase Agreement to sell the Vehicle and to remit the proceeds of such sale to the Issuer. This right to make voluntary termination of the relevant Underlying Agreement applies only where the relevant Underlying Agreement is regulated by the CCA.

Any exercise by a Customer of its right to terminate the relevant Underlying Agreement may result in the Notes being redeemed earlier than anticipated. In addition, if the proceeds remitted to the Issuer from the sale of the relevant Vehicle (following its recovery by GMAC UK plc) are not sufficient to cover the purchase price paid by the Issuer for the related Receivable less any Principal Element received from the relevant Customer prior to the date of termination by the Customer, then this would result in the Issuer receiving less in respect of the related Receivable than it would have expected. These factors could have an adverse effect on the Issuer's ability to make payments on the Notes and on the yield to maturity of the Notes.

### ***Market for Receivables***

The ability of the Issuer to redeem all the Notes in full, after the occurrence of an Event of Default in relation to the Notes, whilst any of the Purchased Receivables remain outstanding, may depend on whether the Purchased Receivables can be sold, otherwise realised or refinanced so as to obtain a sufficient amount available for the distribution to the Issuer to enable it to redeem the Notes. There is no established active and liquid secondary market for auto finance receivables in the United Kingdom. It is therefore possible that neither the Issuer nor the Security Trustee is able to sell, otherwise realise or refinance the Purchased Receivables on appropriate terms should it be necessary for it to do so. Any failure by the Issuer or the Security Trustee to sell or refinance the Purchased Receivables following an Event of Default could have an adverse effect on the Issuer's ability to make payments under the Notes.

### ***Counterparty Credit Risk***

Payments in respect of the Notes of each Class are subject to credit risk in respect of the Paying Agents, the Calculation Agent, the Cash Manager, the Swap Counterparty, the Collections Account Bank, the Account Bank, the Servicer (or the Back-Up Servicer as the case may be) and the Seller and, in the event of the insolvency of any of them, the Issuer will be treated as a general unsecured creditor of the insolvent counterparty. This risk is mitigated with respect to the Swap Counterparty

and the Account Bank by the requirement under the terms of the Swap Agreement and the Account Bank Agreement, respectively, that each of the Swap Counterparty and the Account Bank has certain minimum required ratings (as to which see further "*Transaction Overview – Triggers Table - Ratings Triggers Table*" above and "*Overview of the Transaction Documents*" below). Contractual remedies are also provided in the event of a downgrading of such counterparties (see the section headed "*Overview of the Transaction Documents*"). However, in the event that any relevant third party fails to perform its obligations under the respective agreements to which it is a party, the Noteholders may be adversely affected. No assurances can be given that the Issuer will be able to find any replacement service providers or counterparties with the requisite ratings on a timely basis or at all.

### ***Interest Rate Risk***

All amounts of interest payable under or in respect of the Underlying Agreements comprising the Portfolio will be calculated by reference to a fixed rate of interest, whilst the Class A Notes and the Class B Notes will bear interest by reference to one-month Sterling LIBOR and the Subordinated Notes will bear interest by reference to a fixed rate of interest. As a result, in respect of the Class A Notes and the Class B Notes, in the event that LIBOR were to exceed a certain level, the Issuer could have insufficient funds available to make payment of interest on the Class A Notes and/or the Class B Notes in full in accordance with the Pre-Acceleration Revenue Priority of Payments. In order to reduce this interest rate risk, the Issuer will enter into a Swap Agreement in respect of the Class A Notes and the Class B Notes.

The notional amounts of the hedging transactions entered into pursuant to the Swap Agreement will be calculated by reference to the Class A Notes Principal Amount and the Class B Notes Principal Amount. The notional balance of the Swap Agreement will reduce in accordance with a reduction on the Class A Notes Principal Amount and the Class B Notes Principal Amount. If an Event of Default or a Termination Event occurs under the terms of the Swap Agreement, then a termination payment may become due and payable by the Issuer under the Swap Agreement.

For further details on the Swap Counterparty and the Swap Agreement, please see the sections entitled "*The Swap Counterparty*" and "*Overview of the Transaction Documents*" below.

### ***The Notes are exposed to Swap Counterparty credit risk***

If the Swap Counterparty fails to provide the Issuer with any amount due from it under the Swap Agreement on any Interest Payment Date or if the Swap Agreement is otherwise terminated, the Issuer may have insufficient funds to make payments due on the Notes.

All payments to be made by the Issuer under the Swap Agreement, other than certain Subordinated Swap Amounts, will be made in priority to the Class A Noteholders and the Class B Noteholders.

### ***Termination of the Swap Agreement***

Generally, the Swap Agreement may only be terminated upon the occurrence of certain termination events set forth in the Swap Agreement. In the event of the insolvency of a Swap Counterparty, the Issuer will be treated as a general creditor of such Swap Counterparty and is consequently subject to the credit risk of such Swap Counterparty. To mitigate this risk, under the terms of the Swap Agreement, the Swap Counterparty will be obliged to post collateral or take an alternative remedy in accordance with the terms of the Swap Agreement in the event that the relevant ratings of the Swap Counterparty are below certain levels (which are set out in the Swap Agreements and described in further detail in the section entitled "Trigger Tables" above) while the Swap Agreement is outstanding. However, no assurance can be given that sufficient collateral will be available to the

Swap Counterparty such that it is able to post collateral in accordance with the requirements of the relevant Swap Agreement.

In the event that the relevant ratings of the Swap Counterparty are below certain levels (which are set out in the Swap Agreements and described in further detail in the section entitled “Trigger Tables” above) while the Swap Agreement is outstanding, the Swap Counterparty will, in accordance with the terms of the applicable Swap Agreement, be required to elect to take certain remedial measures within the applicable time frame stipulated in the applicable Swap Agreement (at its own cost) which may include providing collateral in support of its obligations under the Swap Agreement, arranging for its obligations under the applicable Swap Agreement to be transferred to an entity with the relevant Required Ratings, procuring another entity with the Required Ratings to become co-obligor or guarantor in respect of its obligations under the applicable Swap Agreement, or taking such other action as required to maintain or restore the rating of the Class A Notes and Class B Notes.

However, no assurance can be given that, at the time that such actions are required, sufficient collateral will be available to the Swap Counterparty for posting or that another entity with the Required Ratings will be available to become a replacement swap counterparty, co-obligor or guarantor or that the Swap Counterparty will be able to take the requisite other action. If the remedial measures following a downgrade of the Swap Counterparty below the Required Ratings are not taken within the applicable time frames, this will permit the Issuer to terminate the Swap Agreement early.

Were an early termination of the Swap Agreement to occur for any reason, no assurance can be given that the Issuer will be able to enter into any replacement swap agreement or a replacement swap agreement with similar terms. In that situation, there is also no assurance that the amount of credit enhancement will be sufficient to cover any additional amounts payable as a result of fluctuations in the interest rate. In addition, a failure to enter into a replacement swap agreement may result in the reduction, qualification or withdrawal of the then current ratings of the Notes by the Rating Agencies. See *"Transaction Overview – Triggers Table - Ratings Triggers Table"* above and *"Overview of the Transaction Documents"* below.

#### ***Termination Payments on the Swap Agreement***

If the Swap Agreement is terminated, the Issuer may be obliged to make a termination payment to the Swap Counterparty. The amount of the termination payment will be based on the cost of entering into a replacement swap agreement on terms equivalent to the Swap Agreement. There can be no assurance that the Issuer will have sufficient funds available to make any termination payment due under the Swap Agreement.

Except where the Issuer has terminated the Swap Agreement as a result of the Swap Counterparty's default or ratings downgrade (as to which see further below), any termination payment due by the Issuer following termination of the Swap Agreement (including any extra costs incurred if the Issuer cannot immediately enter into a replacement swap agreement) will also rank, in the case of the Swap Agreement, in priority to the Class A Notes, the Class B Notes and the Subordinated Notes.

Therefore, if the Issuer is obliged to make a termination payment to the Swap Counterparty or pay any other additional amounts as a result of the termination of the Swap Agreement, this could affect the Issuer's ability to make timely payments on the Notes.

In the event that any of the above parties were to fail to perform their obligations under the respective agreements to which they are a party, investors may be adversely affected.

### ***Insolvency proceedings and subordination provisions***

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

The UK Supreme Court has held in *Belmont Park Investments Pty Limited v BNY Corporate Trustee Services Ltd and Lehman Brothers Special Financing Inc* [2011] UKSC 38 (**Belmont**) that a flip clause as described above is valid under English law. Contrary to this, however, the US Bankruptcy Court held that such a subordination provision is unenforceable under US bankruptcy law and that any action to enforce such provision would violate the automatic stay which applies under such law in the case of a US bankruptcy of the counterparty. The implications of this conflict remain unresolved, particularly as several subsequent challenges to the U.S. decision have been settled and certain other actions which raise similar issues are pending but have not progressed for some time.

If a creditor of the Issuer (such as the Swap Counterparty) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales (including, but not limited to, the US), and it is owed a payment by the Issuer, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the English law governed Transaction Documents (such as a provision of the Priorities of Payments which refers to the ranking of the Swap Counterparty's payment rights in respect of Subordinated Swap Amounts). In particular, based on the decision of the US Bankruptcy Court referred to above, there is a risk that such subordination provisions would not be upheld under US bankruptcy laws. Such laws may be relevant in certain circumstances with respect to the Swap Counterparty, notwithstanding that it is a non-US established entity (and/or with respect to any replacement counterparty, depending on certain matters in respect of that entity). In general, if a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales and any relevant foreign judgment or order was recognised by the English courts, there can be no assurance that such actions would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Lastly, given the general relevance of the issues under discussion in the judgments referred to above and that the Transaction Documents will include terms providing for the subordination of Subordinated Swap Amounts, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English courts) may result in negative rating pressure in respect of the Notes. If any rating assigned to the Notes is lowered, the market value of the Notes may reduce.

### ***Average Life of the Notes and Prepayment Risk***

The Final Maturity Date of the Class A Notes, the Class B Notes and the Subordinated Notes is the Interest Payment Date falling in September 2022. However, the average life of each Class of Notes is expected to be shorter than the number of years until the Final Maturity Date. An estimate of the average life of the Notes of each Class is set forth in the section headed "*Estimated Weighted Average Life of the Notes*". However, while the figures set out in that section are based on and qualified by the assumptions and hypothetical scenarios set out in that section, they are not

predictive nor do they constitute a forecast; the actual average life of each Class of Notes is likely to differ from the estimates made in that section.

The actual maturity periods of the different Classes of Notes may occur before the Last Receivable Maturity Date due to early payment of Purchased Receivables by Customers. Under the CCA, the Customer is allowed to make early settlement of the Underlying Agreement in full or in part before its scheduled final payment date. As this may occur at any time, there can be no assurance that there will be any particular pattern of payments. In addition, the Customer may voluntarily terminate the Underlying Agreement upon payment of 50 per cent. of the total amount payable for the Vehicle without making further Monthly Payments for the Vehicle. Accordingly, there can be no assurance as to the rate at which Notes will be redeemed. See further the sections entitled "3. *General Legal Considerations – Consumer Credit Act 1974*" and "*– Regulated Hire-Purchase Agreements and Regulated Conditional Sale Agreements*".

In addition, the terms of the Notes provide for an optional early redemption of the Notes by the Issuer in the following circumstances:

- (a) where the Principal Amount Outstanding of the Notes is equal to or less than 10 per cent. of the aggregate Principal Amount Outstanding of the Notes as at the Closing Date;
- (b) as a result of any obligation on the Issuer to make a withholding or deduction for or on account of tax in respect of payments under the Notes by reason of a change in tax law; and
- (c) upon repayment in full of the Class A Notes and the Class B Notes.

Any exercise by the Issuer of its right to redeem the Notes in any of the above circumstances may result in the Notes being redeemed earlier than anticipated by the Noteholders.

#### ***Book-Entry Interests in respect of the Class A Notes and the Class B Notes***

Unless and until Definitive Notes are issued in exchange for the book-entry interests in the Global Notes in respect of the Class A Notes and the Class B Notes through the Clearing Systems, holders and beneficial owners of book-entry interests will not be considered the legal owners or holders of the Class A Notes and the Class B Notes under the Trust Deed. After payment by the Principal Paying Agent to Euroclear or Clearstream, Luxembourg, the Issuer will not have responsibility or liability for the payment of interest, principal or other amounts in respect of the Class A Notes and the Class B Notes to holders or beneficial owners of book-entry interests.

The Class A Notes and the Class B Notes will be represented by Global Notes delivered to Clearstream, Luxembourg or Euroclear as Common Safekeeper, and will not be held by the beneficial owners or their nominees. The Class A Notes and Class B Notes will be held by the Common Safekeeper in New Global Note (NGN) format. As a result, unless and until Class A Notes and Class B Notes in definitive form are issued, beneficial owners will not be recognised by the Issuer, the Note Trustee or the Security Trustee as Noteholders, as that term is used in the Trust Deed. Accordingly, each person owning a book-entry interest must rely on the relevant procedures of Euroclear and Clearstream, Luxembourg and, if such person is not a participant in such entities, on the procedures of the participant through which such person owns its interest, to exercise any right of a Noteholder under the Trust Deed.

Payments of principal and interest on, and other amounts due in respect of, each Global Note in respect of the Class A Notes and the Class B Notes will be made by the Principal Paying Agent to the order of the Common Safekeeper thereof against presentation. Upon receipt of any payment from the Principal Paying Agent, Euroclear and Clearstream, Luxembourg, as applicable, will credit participants' accounts with payment in amounts proportionate to their respective ownership of book-

entry interests as shown on their records. The Issuer expects that payments by participants or indirect payments to owners of book-entry interests held through such participants or indirect participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers registered in "street name", and will be the responsibility of such participants or indirect participants. None of the Issuer, the Note Trustee, the Security Trustee, any Paying Agent, the Joint Lead Managers or the Co-Managers will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, the book-entry interests or for maintaining, supervising or reviewing any records relating to such book-entry interests.

Unlike Noteholders, holders of the book-entry interests will not have the right under the Trust Deed to act upon solicitations by or on behalf of the Issuer for consents or requests by or on behalf of the Issuer for waivers or other actions from Noteholders. Instead, a holder of book-entry interests in respect of the Class A Notes and the Class B Notes will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg (as the case may be) and, if applicable, their participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of book-entry interests in respect of the Class A Notes and the Class B Notes to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default under the Notes, holders of book-entry interests in respect of the Class A Notes and the Class B Notes will be restricted to acting through Euroclear and Clearstream, Luxembourg unless and until Individual Note Certificates are issued in accordance with the relevant provisions described herein under the section entitled "*Terms and Conditions of the Notes*". There can be no assurance that the procedures to be implemented by Euroclear and Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of book-entry interests among account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Note Trustee, the Security Trustee, any Paying Agent or any of their agents, the Joint Lead Managers or the Co-Managers will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective participants or account holders of their respective obligations under the rules and procedures governing their operations.

Certain transfers of Notes or interests therein may only be effected in accordance with, and subject to, certain transfer restrictions and certification requirements.

### ***Definitive Notes and denominations in integral multiples***

The Class A Notes, the Class B Notes and the Subordinated Notes have a denomination consisting of a minimum authorised denomination of £100,000 plus higher integral multiples of £1,000. Accordingly, it is possible that the Notes may be traded in amounts in excess of the minimum authorised denomination that are not integral multiples of such denomination. In such a case, if definitive Notes are required to be issued, a Noteholder who holds a principal amount less than the minimum authorised denomination at the relevant time may not receive a definitive Note in respect of such holding and may need to purchase a principal amount of Notes such that their holding amounts to the minimum authorised denomination (or another relevant denomination amount).

If definitive Notes are issued, Noteholders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum authorised denomination may be illiquid and difficult to trade.

### ***Eurosystem eligibility***

The Class A Notes and the Class B Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes and the Class B 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 and the Class B Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem (**Eurosystem eligible collateral**) either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. The Subordinated Notes will not be held in a manner to allow Eurosystem eligibility. Neither the Issuer nor GMAC UK plc gives any representation, warranty, confirmation or guarantee to any investor in the Class A Notes or the Class B Notes that the Class A Notes or the Class B Notes will, either upon issue or at any time prior to redemption in full, satisfy all or any of the requirements for Eurosystem eligibility and be recognised as Eurosystem eligible collateral. Any potential investor in the Class A Notes and/or the Class B Notes should make their own conclusions and seek their own advice with respect to whether or not the Class A Notes and/or the Class B Notes constitute Eurosystem eligible collateral.

### ***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 Discount Window Facility (**DWF**). Recognition of the Class A Notes as eligible securities for the purposes of the DWF will depend upon satisfaction of the eligibility criteria as specified by the Bank of England. If the 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 DWF collateral. None of the Issuer, the Joint Lead Managers, the Co-Managers or the Seller 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 at any or all times during their life, satisfy all or any requirements for the DWF eligibility and be recognised as eligible DWF collateral. Any potential investor in the Class A Notes should make its own determinations and seek its own advice with respect to whether or not the Class A Notes constitute eligible DWF collateral. No assurance can be given that the Class A Notes will be eligible securities for the purposes of the DWF and no assurance can be given that any of the relevant parties have taken any steps to register such collateral.

## **2. The Portfolio and GMAC UK plc**

As the Issuer's beneficial interest in the Purchased Receivables is the primary source of funds, the Issuer's ability to pay interest and to repay principal on the Notes is dependent upon the performance of the Portfolio. The following risks relating to the Portfolio could therefore indirectly affect the Issuer's ability to meet its obligations under the Notes.

### ***Servicing of the Portfolio***

The Portfolio will be serviced by the Servicer, either directly or through a sub-delegate. Consequently, the net cash flows from the Portfolio 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 that standard of care that the Servicer would exercise in its own affairs taking into account the degree of skill that it exercises for all comparable assets. However, the Servicer will also continue to perform debt collection services for its own account and therefore will not be exclusively dedicated to the performance of the Servicer's activities under the Servicing Agreement. In addition the Servicer has undertaken in the Servicing Agreement that if it makes any amendments to the Credit and Collection Procedures and to the extent such changes would have a material adverse effect on the Credit and

Collection Procedures, the Servicer shall as soon as practicable after such change notify the Issuer, the Security Trustee, the Note Trustee and the Rating Agencies.

Upon the occurrence of any Servicer Termination Event, the Security Trustee will have the right to remove GMAC UK plc as Servicer (in this regard see further "*Overview of the Transaction Documents – Servicing Agreement*"). If the appointment of GMAC UK plc is terminated, the Back-Up Servicer will commence performance of the Core Services in accordance with the terms of the Back-Up Servicing Agreement. The Back-up Servicer will operate the standard of care of a prudent merchant as more particularly set out in the Back-Up Servicing Agreement (in this regard see further "*Overview of the Transaction Documents – Back-Up Servicing Agreement*").

The appointment of GMAC UK plc 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, its insolvency or if 12 months' notice of termination is given by GMAC UK plc and, among other things, the Issuer and the Security Trustee consent in writing to such termination.

### ***The Back-Up Servicer***

If the appointment of the Back-Up Servicer under the Back-Up Servicing Agreement is terminated, there can be no assurance that a replacement back-up servicer would be found who would be willing and able to service the Purchased Receivables. The ability of any entity acting as replacement back-up servicer to fully perform the required services would depend, among other things, on the information, software and records available to them at the time of the appointment. Any delay or inability to appoint a replacement back-up servicer may affect payments being made on the Notes.

The failure of the Back-Up Servicer to assume performance of the Core Services following the termination of the appointment of the Servicer in accordance with the terms of the Servicing Agreement and the Back-Up Servicing Agreement could result in the failure of or delay in the processing of payments on the Purchased Receivables and ultimately could adversely affect payments of interest and principal on the Notes.

### ***Historical Information***

The historical, financial and other information set out in the sections headed "*The Provisional Portfolio*", including information in respect of collection rates, represents the historical experience of GMAC UK plc. The Portfolio sold to the Issuer on the Closing Date will comprise all or a portion of the Provisional Portfolio. There can be no assurance that the future experience and performance of the Portfolio of GMAC UK plc as Seller and Servicer of the Portfolio will be similar to the experience shown in this section.

### ***Limited Data and Due Diligence relating to the Portfolio***

None of the Joint Lead Managers, the Co-Managers, Note Trustee, the Security Trustee, the Agents, the Irish Listing Agent, the Account Bank, the Cash Manager, the Calculation Agent, the Registrar, the Corporate Services Provider, the Servicer, the Back-Up Servicer, Holdings, the Swap Counterparty, the Issuer nor any other person has undertaken or will undertake any investigations, searches or other actions to verify the information concerning the Purchased Receivables or to establish the creditworthiness of any Customer or any other party to the Transaction Documents. Each such person will rely solely on the accuracy of the representations and warranties given by the Seller to the Issuer in the Receivables Sale and Purchase Agreement in respect of, among other things, the Purchased Receivables, the Customers and the Underlying Agreements. Security over the



Issuer's rights under the Purchased Receivables will be granted by the Issuer in favour of the Security Trustee under the Deed of Charge.

Should any of the Purchased Receivables not comply with the representations and warranties made by the Seller on the Closing Date (other than those with respect to an Underlying Agreement (or part thereof) being determined illegal, invalid, non-binding or unenforceable under the CCA or the FSMA or subject to a right to cancel or a right to withdraw under the CCA), the Seller will, if the relevant breach cannot be remedied, be required to repurchase the relevant Purchased Receivable not later than the end of the Calculation Period immediately following the Calculation Period in which such breach was discovered. Where Purchased Receivables are determined to be in breach of the representations and warranties made (including the Eligibility Criteria) by reason of an Underlying Agreement (or part thereof) being determined illegal, invalid, non-binding or unenforceable under the CCA or the FSMA or subject to a right to cancel or a right to withdraw under the CCA, the Seller will not be obliged to repurchase the relevant Purchased Receivable but will pay the CCA Compensation Payment to the Issuer in an amount, calculated by the Servicer in accordance with the Servicing Agreement, required to compensate the Issuer for any loss arising as a result thereof not later than the end of the Calculation Period immediately following the Calculation Period in which such breach was discovered, subject to receipt by the Seller of notice from the Servicer of such amount.

The Seller is under no obligation to, and will not, provide the Note Trustee, the Security Trustee, the Agents, the Irish Listing Agent, the Account Bank, the Cash Manager, the Calculation Agent, the Registrar, the Corporate Services Provider, the Servicer, the Back-Up Servicer, Holdings, the Swap Counterparty nor the Issuer with financial or other information specific to individual Customers and certain Underlying Agreements to which the Purchased Receivables relate. Any such person will only be supplied with general information in relation to the aggregate of the Customers and the Underlying Agreements, none of which such person has taken steps to verify. Further, none of the Note Trustee, the Security Trustee, the Agents, the Irish Listing Agent, the Account Bank, the Cash Manager, the Calculation Agent, the Corporate Services Provider, the Servicer, the Back-Up Servicer, Holdings, the Swap Counterparty nor the Issuer will have any right to inspect the internal records of the Seller.

Should the Seller fail to take appropriate remedial action under the terms of the Receivables Sale and Purchase Agreement this may have an adverse effect on the value of the Purchased Receivables and on the ability of the Issuer to make payments under the Notes.

#### ***Rights in relation to the Receivables***

The Issuer will rely on the Servicer to enforce any rights in respect of the Purchased Receivables and the Related Underlying Agreements and to carry out the obligations described under "*Servicing*" below.

GMAC UK plc as Servicer will undertake for the benefit of the Issuer that it will not take any steps in relation to the Underlying Agreements, otherwise than in order to perform its duties under the Servicing Agreement and that it will lend its name to, and take such other steps as may be required by the Issuer in relation to, any action (whether through the courts or otherwise) in respect of the Underlying Agreements.

Each Underlying Agreement requires the Customer to take out and maintain comprehensive vehicle insurance and to arrange for GMAC UK plc's name to be noted on the policy. Each Underlying Agreement also states that, if the Customer receives any insurance monies under the policy, he will hold them on trust for GMAC UK plc and that, if the Vehicle is a total loss for insurance purposes, the Customer must repay the outstanding balance of the total amount payable for the Vehicle under

the Underlying Agreement, less any statutory rebate for early settlement. It should be noted that there can be no certainty that such insurance has in fact been taken out or maintained, or that any such insurance monies will be sufficient to repay the outstanding balance of the total amount payable for the Vehicle or will be available to GMAC UK plc, the Issuer or the Security Trustee.

***Risk of late payment of monthly instalments***

Whilst each Underlying Agreement has due dates for scheduled payments thereunder, there is no assurance that the Customers under those Underlying Agreements will pay in time, or at all. Any such failure by the Customers to make payments under the Underlying Agreements would have an adverse effect on the Issuer's ability to make payments under the Notes. The risk of late payment by Customers in respect of any Income Element is in part mitigated by the Liquidity Reserve and the use of Available Principal Receipts to be applied in respect of Revenue Deficiencies (and, on the Final Class B Interest Payment Date only, the use of amounts standing to the credit of the Liquidity Reserve as Available Principal Receipts). However, Noteholders should be aware that the Liquidity Reserve and Available Principal Receipts can only be used to mitigate the risk of late payment with respect to the Class A Notes and the Class B Notes and not in respect of the Subordinated Notes. Whilst the Issuer may draw on amounts standing to the credit of the Liquidity Reserve and, in respect of a Revenue Deficiency relating to the Class A Notes and the Class B Notes, Available Principal Receipts in certain circumstances to make payments in respect of interest on the Class A Notes and the Class B Notes, no assurance can be given that the Issuer will have sufficient funds to make payments in full in respect of the Notes. In addition, Available Principal Receipts may not be applied to pay a Revenue Deficiency with respect to any Class of Notes other than the Class A Notes and the Class B Notes and is subject to (i) in the case of Available Principal Receipts being applied to pay a Revenue Deficiency with respect to the Class B Notes the balance of the Principal Deficiency Ledger being not greater than 100 per cent. of the Principal Amount Outstanding of the Subordinated Notes and (ii) in the case of Available Principal Receipts being applied to pay a Revenue Deficiency with respect to the Class A Notes and the Class B Notes, the balance of the Principal Deficiency Ledger being not greater than 100 per cent. of the aggregate Principal Amount Outstanding of the Subordinated Notes and the Class B Notes.

In addition, the Seller may, but is not obliged to, repurchase any Defaulted Receivable.

***No Right, Title or Interest in the Vehicles***

The Seller will only transfer the benefit of the Purchased Receivables, which will consist of unsecured monetary obligations of Customers under the Underlying Agreements, and the proceeds (net of associated expenses) of contracts for the sale (conditional sale, use or other disposition) of any Vehicles following their repossession or recovery by the Seller or its agents if such contracts are governed by English law or the laws of Northern Ireland; if such contracts are governed by Scots law any net proceeds of such contracts will be subject to a floating charge granted by the Seller to the Issuer (the **Seller Floating Charge**), the Issuer will rely on the Seller to fulfil its contractual undertaking to pay to the Issuer any net proceeds of such contracts.

The Issuer will not receive any right, title or interest in the Vehicles themselves which are the underlying subject matter of the Underlying Agreements and will have no direct right to repossess a Vehicle if a Customer defaults under his Underlying Agreement. The Issuer will rely on the Servicer to exercise the rights and carry out the obligations described in "*The Seller, The Servicer and The Receivables—Servicing and Collections*" and "*Underwriting*". GMAC UK plc as Servicer will undertake for the benefit of the Issuer that it will not take any steps, or cause any steps to be taken, in relation to the Underlying Agreements or the Vehicles, otherwise than in order to perform its duties under the Servicing Agreement and the Receivables Sale and Purchase Agreement and that it will lend its name to, and take such other steps as may be required by the Issuer in relation to, any action

(whether through the courts or otherwise) in respect of the Underlying Agreements. Furthermore, it should be noted that it may be difficult to trace and repossess any Vehicle, that any proceeds arising on the disposal of a Vehicle may be less than the total amount outstanding under the relevant Underlying Agreement, that any Vehicle may be subject to an existing lien or similar right (for example, in respect of repairs carried out by a garage for which no payment has yet been made) and that any action to recover outstanding amounts may not be pursued if to do so would be uneconomic.

As the Issuer does not have any rights in, over or to the Vehicles but only to the sale proceeds thereof, in the event of any insolvency of the Seller, the Issuer is reliant on any administrator or liquidator of the Seller taking appropriate steps to sell any such Vehicle that has been returned or repossessed. As the sale proceeds from the Vehicles have been assigned or charged to the Issuer pursuant to the Receivables Sale and Purchase Agreement or the Seller Floating Charge, the Vehicles will have no economic value to the insolvent estate and therefore to the Seller's creditors as a whole. It is therefore unlikely that an administrator or liquidator of the Seller will have any incentive to take any steps to deal with the Vehicles contrary to the provisions of the Transaction Documents. However, in the absence of such an economic interest, the administrator or liquidator may not be incentivised to realise the value of the Vehicles in a timely manner. In order to incentivise the liquidator or administrator to realise the value of the Vehicles or alternatively to cooperate in any realisation, the Issuer is required to pay the Administrator Incentive Recovery Fee to the liquidator or administrator.

However, there can be no certainty that any administrator or liquidator would take such actions to sell any Vehicles returned or recovered. Furthermore, any failure or delay on the part of an administrator or liquidator to sell or consent to the sale of a Vehicle could have an adverse effect on the ability of the Issuer to make payments on the Notes.

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

No assurances can be given that the respective values of the Vehicles to which the Portfolio relates have not depreciated or will not depreciate at a rate greater than the rate which they were expected to do so on the date of origination of the Receivables. If this has happened or happens in the future, or if the used car market in the United Kingdom should experience a downturn, or if there is a general deterioration of the economic conditions in the United Kingdom, then any such scenario could have an adverse effect on the ability of Customers to repay amounts under the relevant Underlying Agreement and/or the likely amount to be recovered upon a forced sale of the Vehicles upon default by Customers or the exercise of a voluntary termination by the Customer under an Underlying Agreement. This in turn could have an adverse effect on the Issuer's ability to make payments under the Notes.

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

The Eligibility Criteria have been set as at the date of this document to operate so as to mitigate this risk. However, no assurances can be given that circumstances in the future will not change such that the composition of the Portfolio at any time in the future may deteriorate in view of the circumstances then subsisting.

#### ***Investigations into General Motors Financial Company, Inc.***

On 28 July 2014, General Motors Financial Company, Inc. (**GMF**) was served with a subpoena by the U.S. Department of Justice directing it to produce certain documents relating to its and its

subsidiaries' and affiliates' origination and securitisation of subprime automobile loan contracts in the U.S. since 2007 in connection with an investigation by the U.S. Department of Justice in contemplation of a civil proceeding for potential violations of Financial Institutions Reform, Recovery, and Enforcement Act of 1989. Among other matters, the subpoena requests information relating to the underwriting criteria used to originate these automobile loan contracts and the representations and warranties relating to those underwriting criteria that were made in connection with the securitisation of the automobile loan contracts.

The U.S. Department of Justice's investigation could result in a wide range of potential outcomes. No assurance can be given that the ultimate outcome of the investigation or any resulting proceedings would not materially and adversely affect GMF or any of its subsidiaries and affiliates, including the Servicer, or the interests of the Noteholders or the Servicer's ability to perform its duties under the Transaction Documents.

### 3. General Legal Considerations

#### *UK Taxation Position of the Issuer*

The Issuer has been advised that it should be a "securitisation company" for the purposes of the UK Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296) (the **Securitisation Regulations**), and as such should be taxed only on the amount of its "retained profit" (as that term is defined in the Securitisation Regulations), for so long as it satisfies the conditions of the Securitisation Regulations. However, if the Issuer does not satisfy the conditions to be taxed in accordance with the Securitisation Regulations (or subsequently does not), then profits or losses could arise in the Issuer which could have tax effects not contemplated in the cashflows for the transaction described in this Prospectus and as such adversely affect the tax treatment of the Issuer and consequently payment on the Notes.

#### *Withholding under the EU Savings Directive*

Under Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in that Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

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

Investors who are in any doubt as to their position should consult their professional advisers.

### ***European Market Infrastructure Regulation***

European Regulation 648/2012 of 4 July 2012, known as the European Market Infrastructure Regulation (**European Market Infrastructure Regulation** or **EMIR**) entered into force on 16 August 2012. The European Market Infrastructure Regulation provides for certain OTC derivative contracts entered into between certain counterparties to be centrally cleared and imposes, *inter alia*, margin posting and other risk mitigation requirements for uncleared transactions, reporting and record keeping requirements. The European Market Infrastructure Regulation is a Level -1 regulation and requires secondary rules for full implementation of all elements. Some (but not all) of these secondary rules have been finalised and certain requirements under EMIR are now in effect. These requirements do not include the clearing or margin posting requirements, which are likely to apply from 2014 and 1 December 2015 respectively (which may be subject to phase in requirements).

Aspects of EMIR and its application to securitisation vehicles remain unclear. If the Issuer is required to comply with certain obligations under EMIR which may give rise to additional costs and expenses for the Issuer, this may in turn reduce amounts available to make payments with respect to the Notes.

As described above under "*Meetings of Noteholders, Modification and Waiver*" pursuant to the terms of the Deed of Charge, the Security Trustee shall, without the consent or sanction of the Noteholders or any of the other Secured Creditors, concur with the Issuer in making any modifications to the Conditions and/or any other Transaction Document in order to enable the Issuer or the Swap Counterparty to comply with any requirements which apply to it under EMIR.

### ***EU Financial Transactions Tax***

On 14 February 2013, the European Commission issued proposals, including a draft Directive (the Commission's proposal) for a financial transaction tax (**FTT**) to be adopted in certain participating EU Member states (including Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia). If the Commission's proposal was adopted, the FTT would be a tax primarily on "financial institutions" (which would include the Issuer) in relation to "financial transactions" (which would include the conclusion or modification of derivative contracts and the purchase and sale of financial instruments).

Under the Commission's proposal, the FTT would apply to persons both within and outside of the participating Member States. Generally, it would apply where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad

range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the financial transaction is issued in a participating Member State.

The FTT may give rise to tax liabilities for the Issuer with respect to certain transactions (including concluding swap transactions and/or purchases or sales of securities (such as Authorised Investments)) if it is adopted based on the Commission's proposals. Any such tax liabilities may reduce amounts available to the Issuer to meet its obligations under the Notes and may result in investors receiving less interest or principal than expected. To the extent that such liabilities may arise at a time when winding up proceedings have been commenced in respect of the Issuer, such liabilities may be regarded as an expense of the liquidation and, as such, be payable out of the floating charge assets of the Issuer (and its general estate) in priority to the claims of Noteholders and other secured creditors. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Notes (including secondary market transactions) if the conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's proposal. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt.

A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016. However, full details are not available and further changes could be made prior to adoption.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

#### ***U.S. Foreign Account Tax Act Compliance Withholding may affect payments on the Notes***

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) impose a new reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. Whilst the Class A Notes and the Class B Notes are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payments to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Prospective investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Class A Notes and the Class B Notes are discharged once it has paid the Common Safekeeper (as bearer of the Notes), and the Issuer has therefore no responsibility for any amount thereafter transmitted through the clearing systems and custodians or intermediaries. In

particular, the Issuer is not obliged to gross up or otherwise compensate Noteholders for the lesser amounts the Noteholders will receive as a result of such withholding or deduction. Prospective investors should also refer to the section "*Taxation — Foreign Account Tax Compliance Act*".

### ***English, Scottish and Northern Irish law security and insolvency considerations***

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 (as to which, see "*Overview of the 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 and the Insolvency (Northern Ireland) Order 1989 (as amended) 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 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 and under the Insolvency (Northern Ireland) Order 1989 (as amended), 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 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 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 would not be adversely affected by the application of insolvency laws (including English, Scottish and Northern Irish insolvency laws).

### ***Fixed charges may take effect under English or Northern Irish law 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 Underlying Agreements, its rights and benefits in the Issuer Bank Accounts and all Authorised Investments purchased from time to time.

English law and Northern Irish 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 Property (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 and the equivalent Article 6 of the Insolvency (Northern Ireland) Order 2005 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 and the equivalent Article 150A of the Insolvency (Northern Ireland) Order 1989 (as amended, inter alia, by the Insolvency (Northern Ireland) Order 2005)) 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. 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 by statute 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 4.218A to 4.218E of the Insolvency Rules 1986. In general, the reversal of *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 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 as well as the ratings which are to be assigned to the Class A Notes and the Class B Notes are based on English law, the laws of Northern Ireland 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, the laws of Northern Ireland and Scots law and United Kingdom tax, regulatory or administrative practice after the date of this Prospectus.

### ***Implementation of and/or changes to the Basel III framework may affect the capital requirements and/or the liquidity associated with a holding of the Notes for certain investors***

The Basel Committee on Banking Supervision (the **Basel Committee**) approved significant changes to the Basel II regulatory capital and liquidity framework in 2011 (such changes being commonly referred to as **Basel III**). In particular, Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened



requirements for global systemically important banks) and to establish a leverage ratio “backstop” for financial institutions and certain minimum liquidity standards (referred to as the **Liquidity Coverage Ratio** and the **Net Stable Funding Ratio**).

The Basel III reform package has been implemented in Europe through a regulation (**Capital Requirements Regulation**) and an associated directive (the recast Capital Requirements Directive (the **CRD** and together with the Capital Requirements Regulation, **CRD IV**), which was published in the Official Journal of the European Union on 27 June 2013. The regulation establishes a single set of harmonised prudential rules which apply directly to credit institutions and investment firms with the directive containing less prescriptive provisions which are required to be transposed into national law. Full implementation began from 1 January 2014, with particular elements being phased in over a period of time, to be fully effective by 2024.

As CRD IV allows certain national discretions, the final rules and the timetable for their implementation in each jurisdiction may be subject to national variation. The UK Prudential Regulation Authority (**PRA**), for example, is expected during the course of late 2014 to early 2015 to consult on its approach to capital held under CRD IV Pillar 2 requirements. Accordingly there is a risk that entities subject to Pillar 2 requirements will be required to hold higher levels of capital than is currently anticipated or planned for. The Basel Committee has also published certain proposed revisions to the securitisation framework, including changes to the approaches to calculating risk weights and a new risk weight floor of 15%.

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/or on incentives to hold the Notes 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.

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

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

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

In particular, investors should be aware of the EU risk retention and due diligence requirements which currently apply, or are expected to apply in the future, in respect of various types of EU regulated investors including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings and UCITS funds and consider whether they apply to them. Amongst other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator and

(ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a material net economic interest of not less than 5 per cent. in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the notes acquired by the relevant investor. Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear.

The risk retention and due diligence requirements described above may well apply, or are expected to apply, to EU regulated investors in respect of the Notes. Such investors should therefore make themselves aware of such requirements (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. With respect to the commitment of the Seller to retain a material net economic interest in the securitisation and with respect to the information to be made available by the Issuer or another relevant party (or, after the Closing Date, by the Seller in its capacity as the Servicer or by the Cash Manager on the Issuer's behalf), please see the statements set out in the sections "*EU Risk Retention Requirements*" and "*Subscription and Sale*". Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any relevant regulatory requirements and none of the Issuer, the Joint Lead Managers, the Co-Managers, the Seller or any other party to the Transaction Documents makes any representation that the information described above is sufficient in all circumstances for such purposes.

The EU risk retention and due diligence requirements described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

#### ***Consumer Credit Act 1974***

A credit agreement is regulated by the CCA where: (a) the customer is or includes an "individual" as defined in the CCA (which includes certain small partnerships and certain unincorporated associations); (b) the amount of "credit" as defined in the CCA does not exceed any applicable financial limit in force when the credit agreement was made (from 6 April 2008, no applicable financial limit is in force, except a limit of £25,000 for certain changes to credit agreements); and (c) the credit agreement is not an exempt agreement under the CCA (for example, certain credit agreements for business purposes with an amount of credit exceeding £25,000 are exempt agreements). A hire-purchase agreement is treated as a credit agreement, and not as a hire agreement, for the purposes of the CCA.

The main consequences of a credit agreement being regulated by the CCA are described in paragraphs (i) to (xii) below.

- (i) The credit agreement has to comply with authorisation and permission (or, prior to 1 April 2014, licensing) and origination requirements. If it does not comply with those requirements and was made on or after 6 April 2007, then it is unenforceable against the customer: (a) without an order of the Financial Conduct Authority (the **FCA**) or the court (depending on the facts), if the lender or any broker did not hold the required licence or authorisation and permission(s) at the relevant time; or (b) without a court order, if other origination requirements as to pre-contract disclosure, documentation and procedures are not complied with and, in exercising its discretion whether to make the order, the court has regard to any prejudice suffered by the customer and any culpability by the lender.

- (ii) The customer has a right to withdraw from the credit agreement (subject to certain exceptions). The customer may send notice to withdraw at any time during the 14 days starting with the day after the relevant day according to the origination procedures (i.e. the relevant day is the day on which the customer receives notice that the agreement has been executed in accordance with sections 66A(3)(c) and 61A(3) of the CCA). If the customer withdraws, then: (a) the customer is liable to repay to the lender any credit provided and the interest accrued on it; (b) the customer is not liable to pay to the lender any compensation, fees or charges except any non-returnable charges paid by the lender to a public administrative body; and (c) any insurance contract between the insurer and the customer and financed by the credit agreement on the basis of an agreement between the insurer and the lender is treated as if it had never been entered into.
- (iii) The lender is liable in certain circumstances to the customer for misrepresentation and breach of contract by a supplier in a transaction between the supplier and the customer and financed by the credit agreement. This liability arises in relation to, for example, Ancillary Products where the lender can be liable to the customer for misrepresentation and breach of contract by the supplier in a contract between the supplier and the customer for the supply of the Ancillary Product and financed by the credit agreement. The customer may set off the amount of the claim against the amount owing by the customer under the credit agreement or any other credit agreement he has taken with the lender (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.
- (iv) The lender has to comply with servicing requirements. 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).
- (v) The customer is not liable to pay default interest (i.e. interest on sums unpaid in breach of the credit agreement) at a higher rate than the non-default interest rate or (where the non-default interest rate is 0 per cent.) at a higher rate than the annual percentage rate of the total charge for credit (the **APR**). This means that, for example, where the Underlying Agreement imposes 0 per cent. APR, then the customer is not liable to pay default interest at all.
- (vi) The customer is entitled to terminate the credit agreement and to keep the goods financed by the credit agreement by giving notice and paying the amount payable on early settlement. The amount payable by the customer on early settlement of the credit agreement (whether on such termination by the customer, or on termination by the lender for repudiatory breach by the customer, or otherwise) is restricted by formula under the CCA. A more restrictive formula for early settlement of a credit agreement in full or in part applies generally to credit agreements made on or after 11 June 2010.
- (vii) The court has power to give relief to the customer. For example, the court may (a) make a time order, giving the customer time to pay arrears or to remedy any other breach; (b) impose conditions on, or suspend, any order made by the court in relation to the credit

agreement; and (c) amend the credit agreement in consequence of a term of an order made by the court under the CCA.

- (viii) The court has power to determine that the relationship between the lender and the customer arising out of the credit agreement (whether alone or with any related agreement) is unfair to the customer. If the court makes the determination, then it may make an order, among other things, requiring the originator, or any assignee such as the Issuer, to repay any sum paid by the customer. In deciding whether to make the determination, the court is required to have regard to all matters it thinks relevant, including the lender's conduct before and after making the credit agreement, and may make the determination even after the relationship has ended. Once the borrower or customer alleges that an unfair relationship exists, then the burden of proof is on the lender to prove the contrary. Recent court decisions have generally interpreted "unfair relationship" in a way favourable to customers.
- (ix) The regulator for consumer credit is the FCA or, before 1 April 2014, was the Office of Fair Trading (the **OFT**). GMAC UK plc as the Seller and the Servicer holds FCA interim permission (and, before 1 April 2014, held an OFT licence) for its activities relating to consumer credit. A person holding FCA interim permission is an FCA authorised person for the purposes discussed in paragraphs (x) and (xi) below.
- (x) A customer 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 the FCA Consumer Credit sourcebook (**CONC**), which transposes certain requirements previously made under the CCA and in OFT guidance. The customer may set off the amount of the claim for contravention of CONC against the amount owing by the customer under the credit agreement or any other credit agreement he 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.
- (xi) The Financial Ombudsman Service (the **FOS**) 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. The FOS is required to determine each case individually, with reference to its particular facts. Each case is first adjudicated by an adjudicator. Either party may appeal to a final decision by the FOS. The FOS is required to determine complaints by reference to what is, in its opinion, fair and reasonable in all the circumstances of the case, taking into account, among other things, law and guidance, and may order a money award to the customer. It is not possible to predict how any future decision of the FOS would affect the Issuer's ability to make payments in full when due on the Notes.
- (xii) The Seller 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 Underlying Agreement would be unenforceable, as described above. If such interpretation were challenged by a significant number of Customers, 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. A Supreme Court decision is currently awaited which may have an impact on the application of the unfair relationship provisions in sections 140A-C of the CCA.

The Financial Services Act 2012 contains provisions enabling the transfer of consumer credit regulation from the OFT to the FCA. The related secondary legislation was enacted in 2013 to 2014 and the transfer occurred on 1 April 2014. Under the Financial Services Act 2012: (a) carrying on certain credit-related regulated activities in relation to servicing otherwise than in accordance with permission from the FCA will render the credit agreement unenforceable without FCA approval; and (b) the FCA has power to render unenforceable contracts made in contravention of any rules which it may make on cost and duration of credit agreements or in contravention of its product intervention rules. The Financial Services Act 2012 also provides for formalised cooperation to exist between the FCA and the FOS, particularly where issues identified potentially have wider implications, with a view to the FCA requiring affected firms to operate consumer redress schemes.

### ***Regulated Hire-Purchase Agreements and Regulated Conditional Sale Agreements***

In addition, the main consequences of a hire-purchase agreement or a conditional sale agreement being regulated by the CCA are as described in paragraphs (i) to (vii) below:

- (i) The lender is liable to the customer for pre-contractual statements to the customer by a credit-broker, such as the dealer, in relation to goods sold or proposed to be sold by that credit-broker to the lender before forming the subject-matter of the hire purchase agreement or the conditional sale agreement. This liability arises in relation to the vehicle, and applies for example, to the dealer's promise to the customer 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 hire-purchase agreement or the conditional sale agreement, then the customer is entitled to claim the same types of remedies as described in "*Supply of Goods (Implied Terms) Act 1973, Sale of Goods Act 1979*" below. The customer may set off the amount of any such money claim against the amount owing by the customer under the credit agreement or any other credit agreement he has taken with the lender (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.
- (ii) When the customer is in breach of the hire-purchase agreement or the conditional sale agreement, and has paid at least one-third of the total amount payable for the goods (including any deposit), then the goods become protected goods. The lender is not entitled to repossession of protected goods without a court order or the customer's consent given at the time of repossession. If the lender recovers protected goods without such order or consent, then the hire-purchase agreement or the conditional sale agreement is totally unenforceable against the customer, and the customer is entitled to recover from the lender all sums paid by the customer under the agreement.
- (iii) The lender is not entitled to enter any premises to take possession of any goods subject to a hire-purchase agreement or a conditional sale agreement (whether protected goods or not) without a court order. In Scotland, the lender may need to obtain a court order to take possession of the goods in any event.
- (iv) The customer is entitled to terminate the hire-purchase agreement or the conditional sale agreement by giving notice, where he wishes to return the goods. On such termination, the customer is liable to surrender possession of the goods and pay the amount (if any) payable on voluntary termination. The amount payable by the customer on voluntary termination is restricted under the CCA to the amount (if any) required to bring the sum of all payments made and to be made by the customer for the goods up to one-half of the total amount payable for the goods (including any deposit). The customer must pay all arrears for the goods and compensation for any breach of duty to take reasonable care of the goods.

Customers 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.

- (v) Court decisions have conflicted on whether the amount payable by the customer on termination by the lender (for example, for repudiatory breach by the customer) is restricted to the amount calculated by the one-half formula for termination by the customer. The Underlying Agreements provide that the amount payable by the customer on termination by the lender is the outstanding balance of the total amount payable under the Underlying Agreement less any statutory rebate for early settlement and (unless the Seller elects to transfer ownership of the Vehicle to the Customer under certain Underlying Agreements) less any proceeds of sale or estimated value of the Vehicle. Thus the Underlying Agreements reflect those court decisions favourable to the lender on this point, and that by the CCA the one-half formula does not apply to any loan to finance Ancillary Products.
- (vi) The court has power to give additional relief to the customer. For example, the court may:
  - (a) make a time order giving the customer time to pay future repayments; and
  - (b) suspend a return order for the return of the goods to the lender until breach by the customer of a time order or until further court order.
- (vii) A disposition of the vehicle by the customer to a *bona fide* private purchaser without notice of the hire-purchase agreement or the conditional sale agreement will transfer to the purchaser the Seller's title to the vehicle.

#### ***Supply of Goods (Implied Terms) Act 1973, Sale of Goods Act 1979***

The Supply of Goods (Implied Terms) Act 1973 (the **SGITA**) provides that a hire-purchase agreement contains implied terms as to title, description and quality or fitness of the goods. The Sale of Goods Act 1979 (the **SGA**) makes equivalent provision for conditional sale agreements. The Unfair Contract Terms Act 1977 provides that (a) the implied term as to title cannot be excluded by any contract term; (b) the implied terms as to description and quality or fitness cannot be excluded in a business-to-consumer contract, and can be excluded only in so far as reasonable in a business-to-business contract.

If any goods subject to a hire-purchase agreement or a conditional sale agreement governed by English law are in breach of any term implied by the SGITA or the SGA as applicable, then the customer is entitled to rescind the contract and return the goods, and to treat the contract as repudiated by the lender 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 customer under the contract and damages such as the cost of hiring an alternative vehicle. Alternatively, the customer may elect to affirm the contract and keep the goods and claim damages, which then include the difference in value of the goods had they complied with the implied term and their true value. The customer will not lose his right to rescind the contract and return the goods for any breach of which he is unaware, such as latent defects, or defects which a consumer has had no reasonable opportunity to discover.

If there is a material breach of any term (express or implied) of a hire-purchase agreement or a conditional sale agreement governed by Scots law then the customer is entitled to reject the goods and treat the contract as repudiated by the lender and also claim damages. Where the breach is not material, the customer is not entitled to reject the goods but may claim damages. These provisions will not affect any other rights the customer may have under the relevant agreement.

Any damages claimed by a Customer for any defect in the vehicle may be set off against amounts due to the Issuer. The agreements entered into with a Dealer provide that the Dealer will indemnify

GMAC UK plc for certain breaches by the Dealer, including the Vehicle being in breach of certain terms implied by statute. The Seller has sold such claims against the relevant Dealer to the Issuer. However, no assurance can be given that the indemnity will cover all or any loss incurred by the Seller as a result of breach by the Dealers, including as a result of any Vehicle being in breach of any term implied by the SGITA or the SGA, or that the Dealer would have the means to pay the indemnity.

### ***Unfair Terms in Consumer Contracts Regulations 1999***

The Unfair Terms in Consumer Contracts Regulations 1999 (the **UTCCR**) render unenforceable unfair terms in business-to-consumer contracts (subject to certain exceptions). The UTCCR provide that: (a) a consumer may challenge a standard term in a contract on the basis that it is unfair and not binding on the consumer (although the rest of the contract continues to bind the parties if it is capable of continuing in existence without the unfair term); and (b) the appropriate regulator and any qualifying body (such as local trading standards authorities) may seek to enjoin (or in Scotland interdict) a business from relying on unfair terms.

The UTCCR do not generally affect terms that define the main subject matter of the contract or price terms, such as the consumer's obligation to repay the fixed monthly repayments (provided that these terms are written in plain, intelligible language and are drawn adequately to the consumer's attention), but may affect terms that are not considered to define the main subject matter of the contract or to be price terms, such as terms imposing default fees.

For example, if a term permitting the lender to impose a default fee (as the Seller is permitted to do) is found to be unfair, then the consumer is not liable to pay the default fee or, to the extent that he has paid it, he may claim against the originator, or any assignee such as the Issuer, repayment of the amount of default fee paid, or may set off the amount of the claim against the amount owing by the consumer under the credit agreement or any other credit agreement he has taken with the lender (or exercise analogous rights in Scotland or Northern Ireland). Any such non-recovery, claim or set-off may adversely affect the Issuer's ability to make payments in full when due on the Notes.

The FCA (or prior to 1 April 2014, the OFT) addresses unfair terms in its regulation of consumer finance. The OFT has previously carried out an investigation into credit card default fees and on 5 April 2006 issued a statement of its view of the principles that credit card issuers should follow in setting default fees, and that the principles are likely to apply to analogous default fees in other contracts. The principles are in essence that terms imposing default fees should not have the object of raising more in revenue than is reasonably expected to be necessary to recover certain limited administrative costs incurred as a result of the consumer's default. This guidance now forms part of CONC, specifically CON 7.7.5R, which provides that “a firm must not impose charges on customers in default or arrears difficulties unless the charges are no higher than necessary to cover the reasonable costs of the firm”.

In March 2013, the Law Commission and the Scottish Law Commission (together, the **Commissions**) published advice to the UK Government on reforming the UTCCR. The Commissions recommended, among other things, that no assessment of fairness should be made of a term that specifies the main subject matter of the contract, or of a price term, provided that the term in question is transparent and prominent. The Commissions also recommended that the UTCCR should expressly provide that, in proceedings by consumers, the court is required to consider the fairness of a term, even if the consumer has not raised the issue, where the court has available to it the legal and factual elements necessary for that task. Such reforms are included in the Consumer Rights Bill introduced into Parliament in January 2014.

As noted above, on 1 April 2014, the OFT's responsibilities for consumer credit, including enforcement of the UTCCR, transferred to the FCA (which also has responsibility for enforcement of the UTCCR in relation to financial services contracts for carrying on a regulated activity under the FSMA) and the OFT ceased to exist. Therefore, guidance issued by the FCA in relation to the UTCCR as well as guidance previously issued by the OFT may apply to the Underlying Agreements from 1 April 2014.

The broad and general wording of the UTCCR 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 Underlying Agreements made with consumers may contain unfair terms, which may result in the possible unenforceability of those unfair terms. No assurance can be given that any regulatory action or guidance in respect of the UTCCR will not have a material adverse effect on the Underlying Agreements and accordingly on the Issuer's ability to make payments in full when due on the notes.

### ***Consumer Protection from Unfair Trading Regulations 2008***

The Consumer Protection from Unfair Trading Regulations 2008 (the **UTR**) prohibit unfair business-to-consumer commercial practices before, during and after a consumer contract is made. The UTR do not currently give any claim, defence or right of set-off to an individual consumer. Breach of the UTR does not (of itself) render an agreement void or unenforceable, but the possible liabilities for misrepresentation or breach of contract in relation to agreements may result in irrecoverable losses on amounts to which such agreements apply. The Consumer Protection (Amendment) Regulations 2014 will amend the UTR with effect from 1 October 2014 so as to give consumers a right to redress for prohibited practices, including a right to unwind agreements.

The UTR require the Competition and Markets Authority (or prior to 1 April 2014, the OFT) and local trading standards authorities to enforce the UTR by prosecution or by seeking an enforcement order to prevent a business from carrying on unfair practices. In addition, the FCA (or prior to 1 April 2014, the OFT) addresses unfair practices in its regulation of consumer finance. No assurance can be given that any regulatory action or guidance in respect of the UTR will not have a material adverse effect on the Underlying Agreements and accordingly on the Issuer's ability to make payments in full when due on the Notes.

### ***General***

No assurance can be given that changes will not be made to the regulatory regime and developments described above in respect of the vehicle finance market in the United Kingdom generally, the Seller's particular sector in that market or specifically in relation to the Seller. Any such action or developments, in particular, but not limited to, the cost of compliance, may have a material adverse effect on the Seller, the Issuer and/or the Servicer and their respective businesses and operations. This may adversely affect the Issuer's ability to make payments in full when due on the Notes.

### ***Equitable assignment***

The assignment by the Seller of the English Receivables and the Northern Irish Receivables will take effect in equity only because no notice of the assignment will be given to Customers unless a Perfection Event shall have occurred. The Issuer will assign to the Security Trustee by way of security, among other things, the Issuer's interest in the Purchased Receivables.

The giving of notice to the Customer of the Seller's assignment would have the following consequences:



- (a) Notice to the Customer would "perfect" the assignment so that the Issuer would take priority over any interest of a later encumbrancer or assignee of the Seller's rights who has no notice of the assignment to the Issuer.
- (b) Notice to a Customer would mean that the Customer should no longer make payment to the Seller as creditor under the Underlying Agreement but should make payment instead to the Issuer. If the Customer were to ignore a notice of assignment and pay the Seller for its own account, the Customer will still be liable to the Issuer for the amount of such payment. However, for so long as GMAC UK plc remains the Servicer under the Servicing Agreement it is also the agent of the Issuer for the purposes of the collection of the Purchased Receivables and will, accordingly, be accountable to the Issuer for any amount paid to it in respect of the Purchased Receivables.
- (c) Until notice is given to the Customer, equitable set-offs (such as referred to in "*Consumer Credit Act 1974*", "*Regulated Hire-Purchase Agreements and Regulated Conditional Sale Agreements*", "*Supply of Goods (Implied Terms) Act 1973*", "*Sale of Goods Act 1979*" and "*Unfair Terms in Consumer Contracts Regulations 1999*" above) may accrue in favour of the Customer in respect of his obligation to make payments under the relevant Underlying Agreement. These may, therefore, result in the Issuer receiving less monies than anticipated from the Purchased Receivables. The assignment of any Purchased Receivables to the Issuer will be subject both to any prior equities which have arisen in favour of the Customer and to any equities which may arise in the Customer's favour after the assignment until such time (if ever) as he receives actual notice of the assignment. However, where the set-off by a Customer is connected with the Underlying Agreement (as would be the case for claims in respect of the related Ancillary Products or vehicle defects) the Customer may exercise a set-off (or exercise analogous rights in Scotland or Northern Ireland), irrespective of any notice given to them of the assignment to the Issuer.
- (d) Notice to the Customer would prevent the Seller and the Customer amending the Related Underlying Agreement without the involvement of the Issuer. However, the Seller will undertake for the benefit of the Issuer that it will not waive any breach under, or amend the terms of, any of the Underlying Agreements, other than in accordance with its usual credit policies (as described below).
- (e) Lack of notice to the Customer means that the Issuer will have to join the Seller as a party to any legal action which the Issuer may want to take against any Customer. The Seller will, however, undertake for the benefit of the Issuer that it will lend its name to, and take such other steps as may be required by the Issuer or the Note Trustee in relation to, any action in respect of the Purchased Receivables.

Perfection Events have been used 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.

### ***Scottish Receivables***

Legal title to the Scottish Receivables will remain with GMAC UK plc because no formal assignment thereof duly intimated to the relevant Customers will be made unless a Perfection Event shall have occurred. The legal position of the Issuer and the Seller in respect of the Scottish Receivables is substantially in accordance with that set out above in relation to the holding of an equitable or beneficial interest in the English Receivables and the Northern Irish Receivables.

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

#### **4. General Tax Considerations**

##### ***Withholding tax in respect of the Notes and the Swap Agreement***

In the event that any withholding or deduction for or on account of tax is required to be made from payments due under the Notes (as to which see the section entitled "*United Kingdom Taxation*" below), neither the Issuer nor any other person will be obliged to pay any additional amounts to Noteholders or to otherwise compensate Noteholders for the reduction in the amounts they would receive as a result of such withholding or deduction. If such a withholding or deduction is required to be made, the Issuer will have the option (but not the obligation) of redeeming all outstanding Notes in full at their Principal Amount Outstanding (together with accrued interest). For the avoidance of doubt, neither the Note Trustee nor the Noteholders will have the right to require the Issuer to redeem the Notes in these circumstances.

All payments to be made by a party under the Swap Agreement are to be made without withholding or deduction for or on account of any tax unless such withholding or deduction is required by applicable law (as modified by the practice of any relevant tax authority). Each of the Issuer and the Swap Counterparty will represent, on entering into the Swap Agreement, that it is not obliged to make any such deduction or withholding under current taxation law and practice (save in respect of certain payments of interest and deliveries, transfers and payments to be made pursuant to the credit support annex to the Swap Agreement). If, as a result of a change in law (or the application or official interpretation thereof), the Issuer is required to make such a withholding or deduction from any payment to be made to the Swap Counterparty under the Swap Agreement, the Issuer will not be obliged to pay any additional amounts to the Swap Counterparty in respect of the amounts so required to be withheld or deducted. If the Swap Counterparty is required to make such a withholding or deduction from any payment to the Issuer under a Swap Agreement, it shall pay to the Issuer such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount the Issuer would have received had no such deduction or withholding been required. The party receiving a reduced payment or that is required to make an additional payment, as the case may be, will have the right to terminate the Swap Agreement (subject to the Swap Counterparty's obligation to use all reasonable efforts (provided that such efforts will not require the Swap Counterparty to incur a loss, excluding immaterial, incidental expenses) to transfer its rights and obligations under the Swap Agreement to another of its offices or affiliates such that payments made by or to that office or affiliate under the Swap Agreement can be made without any withholding or deduction for or on account of tax). If a transaction under the Swap Agreement is terminated, the Issuer may be unable to meet its obligations under the Notes in full, with the result that the Noteholders may not receive all of the payments due to them in respect of the Notes.

#### **5. General Considerations**

##### ***Forecasts and Estimates***

Estimates of the weighted average life of the Notes 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 assumptions underlying them may differ or may prove substantially different from the actual results. Consequently, the actual results might differ from the projections and such differences might be significant.

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

## OVERVIEW OF THE TRANSACTION DOCUMENTS

*The description of the Transaction Documents set out below is a summary of certain features of those agreements and is qualified by reference to the detailed provisions of the terms and conditions of those agreements. Prospective Noteholders may inspect a copy of each of the Transaction Documents upon request at the Specified Office of the Principal Paying Agent.*

### **Receivables Sale and Purchase Agreement**

On 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 Issuer will purchase from the Seller the Purchased Receivables and the Ancillary Rights relating to such Purchased Receivables. The Receivables which are intended to be purchased by the Issuer consist of all amounts due to the Seller from Customers in respect of Underlying Agreements. The Portfolio sold to the Issuer on the Closing Date will comprise all or part of the Provisional Portfolio.

The Underlying Agreements, which are agreements mainly directed at retail customers, are available for new and used vehicles or light commercial vehicles. After an initial down payment, financing provided under an Underlying Agreement, carrying a fixed rate of return, is typically amortised in equal monthly instalments over the repayment period, which varies between 12 and 60 months. Whilst the Customer is the registered keeper of the Vehicle, the Seller remains the owner unless and until the Customer pays all amounts due in respect of the relevant Underlying Agreement. The Underlying Agreements also include unsecured loans made to Customers to finance Ancillary Products, where the Customer elects to take such Ancillary Products and finance for them.

The Purchased Receivables include all amounts due under the Underlying Agreements together with the Ancillary Rights.

The Purchase Price for each Purchased Receivable will comprise the amount, determined as at the Closing Date as being the amount attributable to principal (rather than income) of scheduled payments (which shall include any option fees and fees payable as part of or together with the last payment under the Underlying Agreement, capitalised interest and capitalised arrears), due from Customers under the Related Underlying Agreement during the period beginning on (but excluding) the Closing Date and ending on (and including) the maturity date of such Underlying Agreement and any Deferred Purchase Price.

The Cut-off Date was 30 September 2014.

### ***Undertakings given by the Seller***

The Receivables Sale and Purchase Agreement contain a number of undertakings by the Seller in respect of its activities relating to the Purchased Receivables and the related Vehicles. These include undertakings to refrain from conducting activities with respect to the Purchased Receivables and the related Vehicles which may adversely affect the Purchased Receivables and the related Vehicles and, in particular, not to assign or transfer the whole or any part of the Purchased Receivables to any third party, not to create or allow to be created, to arise or to exist any Encumbrance or other right in favour of any third party in respect of the Purchased Receivables between the Cut-off Date and the date of perfection of the relevant assignment and to transfer promptly to the Issuer all amounts received by the Seller from or in respect of the Purchased Receivables.

In addition, the Seller has undertaken promptly (in each case after the relevant Vehicle is in its possession or control) to sell any Vehicles surrendered, recovered or otherwise returned to the Seller in accordance with

the terms of the relevant Underlying Agreement and the Credit and Collection Procedures (except where the Purchased Receivable related to such Vehicle shall have previously been repurchased by the Seller in accordance with the terms of the Receivables Sale and Purchase Agreement) and account for the proceeds of such sale to the Issuer further to the sale and assignment of the Purchased Receivables to the Issuer pursuant to the Receivables Sale and Purchase Agreement.

None of the Issuer or the Security Trustee or the Note Trustee or the Joint Lead Managers or the Co-Managers has undertaken or will undertake any investigation to verify the details of the Purchased Receivables and will rely solely on the representations and warranties given by the Seller to the Issuer pursuant to the Receivables Sale and Purchase Agreement.

***Representations and warranties given by the Seller***

Under the Receivables Sale and Purchase Agreement, on the Closing Date and, if applicable, on the date of any Variation, the Seller will make (with reference to facts and circumstances subsisting at the Cut-off Date or, in respect of a Variation, as at the date of such Variation), *inter alia*, the following representations and warranties to the Issuer regarding the Purchased Receivables:

- (a) **Compliance with Eligibility Criteria:** Each Purchased Receivable and each Related Underlying Agreement complies in all respects with the Eligibility Criteria;
- (b) **Status:** Each Related Underlying Agreement was entered into on the terms of one of the Standard Documentation without alteration or addition to the form (other than the form being completed in accordance with the Seller's policies) and no Related Underlying Agreement is a "modifying agreement" as defined in section 82(2) of the CCA (broadly, an agreement varying or supplementing an earlier Related Underlying Agreement) or a novated agreement;
- (c) **Valid and Binding:** Each Related Underlying Agreement (i) is governed by English, Northern Irish or Scots law and discloses a Customer address in England and Wales, Northern Ireland or Scotland (ii) is a legal, valid and binding obligation of the relevant Customer and, subject to any laws from time to time in effect relating to bankruptcy, liquidation or any other laws or other procedures affecting generally the enforcement of creditors' rights, is in all material respects enforceable in accordance with its terms and is non-cancellable and not subject to a right to withdraw and is freely assignable by the Seller;
- (d) **No prior assignment, set-off or defence:** So far as the Seller is aware, no Related Underlying Agreement is subject to any claim, equity, defence, right of retention or set-off by the Customer except by virtue of Section 56 or 75 of the CCA;
- (e) **Legal and beneficial ownership:** Immediately prior to the Closing Date, the Seller is (subject to any prior Encumbrance which has been subsequently discharged) the sole legal and beneficial owner of each Purchased Receivable and is selling each Purchased Receivable free from any Encumbrance (including rights of attaching creditors and trust interests) save as provided for in the Transaction Documents or save for any Encumbrance arising by operation of law;
- (f) **No Default:** So far as the Seller is aware, there is no material default, breach or violation under any Related Underlying Agreement which has not been remedied or 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, breach or violation, provided that any default, breach or violation shall be material if it in any way affects the amount or the collectability of the Purchased Receivables arising under the Related Underlying Agreement and provided further that any breach relating to non payment shall not be material unless it would be such as would cause the relevant Purchased Receivable not to comply with the Eligibility Criteria;

- (g) **Option to purchase and return of goods:** No Related Underlying Agreement provides for (i) an option to purchase fee greater than £500 or (ii) an option to return the Vehicle instead of paying the final repayment due under the Related Underlying Agreement (excluding any option fees, the right of the Customer to voluntarily terminate an Underlying Agreement pursuant to Section 99 of the CCA and where a Customer returns the related Vehicle rather than paying the relevant final option to purchase fee);
- (h) **The Seller's Records:** The Seller (or the Seller's agents on the Seller's behalf) has maintained records relating to each Purchased Receivable and Related Underlying 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 Underlying Agreement to be enforced against the relevant Customer and such records are held by or to the order of the Seller;
- (i) **Standard Forms:** Each Related Underlying Agreement was based on a standard form document;
- (j) **Credit and Collection Procedures:** Each Related Underlying Agreement (i) was originated by the Seller as principal in the ordinary course of its business in accordance with the Seller's Credit and Collection Procedures and (ii) is serviced in accordance with the Credit and Collection Procedures;
- (k) **Insurance:** The terms of each Related Underlying Agreement require the Customer thereunder to insure the Vehicle which is the subject thereof comprehensively against all normally insurable risks (subject to all normal excesses and deductibles);
- (l) **Consumer Credit:**
  - (i) Each Related Underlying Agreement was originated by the Seller, as sole principal, and without any agent lender;
  - (ii) the Seller has at all material times held (in relation to Related Underlying Agreements originated prior to 1 April 2014) a CCA Licence to carry on consumer credit business and (in relation to Related Underlying Agreements originated on or after 1 April 2014) FCA permission or authorisation to carry on credit-related regulated activity and continues to hold and will maintain at all material times the said FCA permission or authorisation; and
  - (iii) so far as the Seller is aware (i) each Dealer and (ii) each other person who carried on in relation to a Related Underlying Agreement any "credit brokerage", as defined in section 142(2) of the CCA (in relation to Related Underlying Agreements originated prior to 1 April 2014) or article 36A of the RAO (in relation to Related Underlying Agreements originated on or after 1 April 2014), has at all material times held a CCA Licence and/or FCA authorisation or permission to carry on credit brokerage;
- (m) **Ownership:** The Seller is the legal and beneficial owner of the Vehicle to which each Purchased Receivable relates and no other person has any right or claim thereto (other than the Customer under the Related Underlying Agreement);
- (n) **Unfair Relationship:** No Related Underlying 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 140D of the CCA;
- (o) **Fraud or Dispute:** So far as the Seller is aware, each Related Underlying Agreement under which a Purchased Receivable arises has not been entered into fraudulently by the Customer and/or Dealer in respect thereof;

- (p) **No Repossession:** No Vehicle has 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 a Vehicle as at the Cut-off Date;
- (q) **No Onerous Acts:** None of the Related Underlying Agreements is such that it may give rise to (or is linked in any way to any collateral contract in respect of, or including, the insurance of the Vehicle the subject of the Related Underlying Agreement or in respect of the Customer thereunder, or the maintenance or servicing of such Vehicle between the Seller and the relevant Customer 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 a Customer may have against the Seller as a result of Section 56 of the CCA or the SGITA);
- (r) **No Products other than the Ancillary Products:** Except for the Ancillary Products, none of the Related Underlying Agreements were entered into simultaneously with, or linked to, products that Customers, when entering into an Underlying Agreement, agreed to take out and which were explicitly financed by the Underlying Agreement and which may give rise to any potential for set-off between the Customer and the Seller; and
- (s) **Selection Procedures:** No selection procedures adverse to the Issuer have been employed by the Seller in selecting the Portfolio.

Where any Purchased Receivables are determined to be in breach of any Receivables Warranties made (including the Eligibility Criteria) by reason of an Underlying Agreement (or part thereof) being determined illegal, invalid, non-binding or unenforceable under the CCA or the FSMA or subject to a right to cancel or a right to withdraw under the CCA), the CCA Compensation Payment shall be paid by the Seller to the Issuer by the end of the Calculation Period immediately following the Calculation Period in which such breach of Receivables Warranty was discovered subject to receipt by the Seller of notice from the Servicer of the CCA Compensation Amount. The **CCA Compensation Amount** is an amount, calculated by the Servicer in accordance with the Servicing Agreement, required to compensate the Issuer for any loss arising as a result thereof. For further information on the calculation of such CCA Compensation Amount please see further *"Overview of the Transaction Documents – Servicing Agreement"* below.

The Seller will repurchase any Non-Compliant Receivable not later than the end of the Calculation Period immediately following the Calculation Period in which the party discovering such breach gave written notice thereof to the others. The purchase price payable by the Seller to the Issuer in consideration for the repurchase of a Non-Compliant Receivable shall be an amount equal to the Non-Compliant Receivables Repurchase Price.

In respect of the repurchase of a Non-Compliant Receivable, in determining whether or not there is a breach of the relevant representation or warranty leading to a repurchase, if to disapply the words "so far as the Seller is aware" would result in the breach of the relevant representation or warranty then the wording "so far as the Seller is aware" will in fact be disappplied and such Purchased Receivable to which the relevant representation or warranty applies shall be deemed a Non-Compliant Receivable.

In the case of a Purchased Receivable which did not exist as at the Closing Date, the Seller will not be obliged to repurchase the relevant Purchased Receivable but shall indemnify the Issuer and the Security Trustee against any loss and all liabilities suffered by reason of the representation or warranty being untrue or incorrect by reference to the facts subsisting on the Closing Date (the **Receivables Indemnity Amount**). Pursuant to the terms of the Servicing Agreement, the Receivables Indemnity Amount shall be calculated by the Servicer as the amount equal to (i) the Outstanding Principal Balance of the relevant Purchased Receivables had such Purchased Receivables existed and complied with each of the Receivables Warranties as at the Closing Date and (ii) any deemed interest accrued on the relevant Purchased Receivable at a rate equal to the weighted average interest rate of the Portfolio as determined by the Servicer at the end of the

immediately preceding Calculation Period less any amounts in respect of any Principal Element received by the Issuer with respect to such Purchased Receivable. For further information on the calculation of such Receivables Indemnity Amount please see further "*Overview of the Transaction Documents – Servicing Agreement*" below.

Pursuant to the Receivables Sale and Purchase Agreement, GMAC UK plc also represents and warrants that it has a valid and current registration under the Data Protection Act 1998 which is in full force and effect and that they are not aware of any circumstance which indicates that either such licences or such registrations are likely to be revoked or which may confer any such right of revocation.

### ***Defaulted Receivables Call Option***

Under the Receivables Sale and Purchase Agreement, the Seller will be granted the Defaulted Receivables Call Option, which will entitle the Seller, prior to the occurrence of an Insolvency Event of the Seller, to repurchase, and oblige the Issuer to sell, any Purchased Receivable which has become a Defaulted Receivable for an amount equal to the Defaulted Receivables Payment.

The Defaulted Receivables Payment, in respect of a Defaulted Receivable, comprises (i) the Initial Defaulted Receivables Payment of £1 and (ii) an amount equal to any Defaulted Receivables Call Option Recoveries from the relevant Customer in excess of the Initial Defaulted Receivables Payment less an amount equal to any VAT that the Seller (or any company with which it is grouped for VAT purposes) is liable to account in respect of the sale of such related Vehicle (if any).

The Seller is obliged to pay the Initial Defaulted Receivables Payment on the relevant repurchase date and to promptly transfer any Defaulted Receivables Call Option Recoveries to the extent they are payable to the Issuer.

It is a condition of the exercise of the Defaulted Receivables Call Option that the Servicer has written off the relevant Defaulted Receivable as uncollectable (i.e. after any recovery of the related Vehicle and disposal thereof or if the recovery of any Vehicle or its disposal is determined by the Servicer to be uneconomical and such Vehicle has been written off in accordance with the Seller's Credit and Collection Procedures) in a previous Calculation Period.

The Servicer will thereafter determine if any Defaulted Receivables Call Option Recoveries have been received in any Calculation Period and account for the same as Revenue Receipts to the Issuer.

If the Defaulted Receivables Call Option is exercised, the Seller is required to repurchase the relevant Defaulted Receivable by the end of the Calculation Period immediately following the Calculation Period in which such Defaulted Receivable Call Option is exercised. Immediately following the exercise of the Defaulted Receivables Call Option by the Seller and payment of the Initial Defaulted Receivables Payment, the Issuer's interests in the Defaulted Receivable will pass to the Seller.

### ***Clean up Call Option***

Pursuant to the terms of the Receivables Sale and Purchase Agreement, on any Interest Payment Date on which, following application of all Available Revenue Receipts and Available Principal Receipts on such Interest Payment Date: (A) the Principal Amount Outstanding of the Notes on such Interest Payment Date would be less than or equal to 10 per cent. of the Principal Amount Outstanding of the Notes on the Closing Date and/or (B) the Class A Notes and the Class B Notes have been or will following application of Available Revenue Receipts and Available Principal Receipts on such Interest Payment Date be redeemed in full, the Seller shall be entitled (but will not be obliged), on such Interest Payment Date, to repurchase the benefit of all Purchased Receivables then owned by (or held in trust by the Seller pursuant to the Transaction Documents for) the Issuer for the Final Repurchase Price.



### ***Perfection Event***

On the occurrence of a Perfection Event, the Issuer (in order to perfect its title to the Purchased Receivables) will, or the Security Trustee, on the behalf of the Issuer, may:

- (a) give notice in its own name (and/or require the Seller and/or the Servicer to give notice) to all or any of the Customers of the sale and assignment of all or any of the Purchased Receivables; and/or
- (b) direct (and/or require the Seller and/or the Servicer to direct) all or any of the Customers to pay amounts outstanding in respect of Purchased Receivables directly to the Issuer by transfer to the Transaction Account or any other account which is specified by the Issuer; and/or
- (c) give instructions (and/or require the Seller and/or the Servicer to give instructions) to make the transfers from the Collections Account to the Transaction Account; and/or
- (d) take such other action as it reasonably considers to be necessary, appropriate or desirable (including taking the benefit of title to the Vehicles to the extent permitted by law and entering into further assignments of Purchased Receivables) in order to recover any amount outstanding in respect of Purchased Receivables or to improve, protect, preserve or enforce its rights against the Customers in respect of Purchased Receivables.

### ***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, except for certain aspects relating to the Scottish Receivables which shall be construed in accordance with Scots law and certain aspects relating to the Northern Irish Receivables which shall be governed by the laws of Northern Ireland.

### ***Servicing Agreement***

On the Closing Date, the Issuer, the Servicer, the Seller and the Security Trustee will enter into the Servicing Agreement.

Pursuant to the Servicing Agreement, the Issuer has appointed GMAC UK plc as Servicer for the purposes of servicing the Purchased Receivables (or, whilst the Purchased Receivables are held subject a Scottish Declaration of Trust, the Servicer will agree to service such Purchased Receivables on behalf of the Seller in its capacity as trustee thereunder acting upon the instruction of the Issuer in its capacity as beneficiary thereunder). 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 Security Trustee, from time to time. The Servicer is permitted under the terms of the Servicing Agreement, and at its own cost and expense, to appoint or dismiss third parties to perform some or all of its obligations under the Servicing Agreement, subject to GMAC UK plc remaining liable for the actions of any such third party.

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 same level of skill, care and diligence as it would if it were administering receivables in respect of which it held the entire benefit (both legally and beneficially) 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 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**).

The Servicer will undertake, among other things, that:

- (i) it will, in discharging its obligations and performing its functions under the Servicing Agreement, act in accordance with the Credit and Collection Procedures;
- (ii) it will comply with any reasonable, proper and lawful directions, orders and instructions which the Issuer or, as applicable, the Security Trustee, may from time to time give to it in connection with the performance of its obligations under the Servicing Agreement (or, in respect of the Purchased Receivables held on trust under a Scottish Declaration of Trust by the Seller for the Issuer) (to the extent that compliance with those directions does not conflict with any provision of the Credit and Collection Procedures, the Transaction Documents or any duties or obligations applicable to servicers generally under English law) provided that each of the parties to the Servicing Agreement acknowledge that prior to a Servicer Termination Event, a Perfection Event or any enforcement action being taken in relation to the Charged Property, the Servicer shall act in accordance with its Credit and Collection Procedures and any such directions must be in conformity with such Credit and Collection Procedures;
- (iii) it shall use reasonable endeavours to procure that, so far as it may be able, all Collections credited to the Collections Accounts in respect of the Purchased Receivables are transferred within two Business Days following receipt by the Seller, directly into the Transaction Account;
- (iv) makes all calculations required to be made by it under the Servicing Agreement (including calculating the CCA Compensation Amount and the Receivables Indemnity Amount);
- (v) on or prior to each Calculation Date, provide information in respect of the Purchased Receivables and their performance to the Issuer and the Calculation Agent to enable the Calculation Agent to calculate amounts payable under the Priority of Payments and to perform its other calculation functions under the Calculation Agency Agreement;
- (vi) it will notify the Issuer and the Security Trustee of becoming aware of the occurrence of any Perfection Event or Servicer Termination Event;
- (vii) subject to and in accordance with the provisions of the Servicing Agreement and the Credit and Collection Procedures, it will take all reasonable steps to recover all sums due to the Issuer in respect of the Purchased Receivables and any Ancillary Rights; and
- (viii) upon the occurrence of an Insolvency Event with respect to the Seller, it will, to the extent required, negotiate the variable component of the Administrator Incentive Recovery Fee with the Seller's Insolvency Official with a view to maximising Recoveries where the Insolvency Official disposes of, arranges for the disposal of or otherwise assists with the disposal of the relevant Vehicles. For further information please refer to the Risk Factor entitled "*No Right, Title or Interest in the Vehicles*".

In accordance with the terms of the Servicing Agreement, the Issuer will pay to the Servicer for its services a servicing fee of 1 per cent. per annum of the Outstanding Principal Balance of the Purchased Receivables in the Portfolio (the **Servicing Fee**). The Servicing Fee will be inclusive of any amount in respect of VAT.

#### ***Calculation of CCA Compensation Amount***

In calculating the CCA Compensation Amount the Servicer has agreed to calculate the loss (if any) that has arisen to the Issuer solely as a result of any Purchased Receivable or the Related Underlying Agreement (or part thereof) being determined illegal, invalid, non-binding or unenforceable under the CCA or the FSMA or subject to a right to cancel or a right to withdraw under the CCA. Where any Purchased Receivable or the Related Underlying Agreement has been determined illegal, invalid, non-binding or unenforceable or subject

to such right to cancel or a right to withdraw under the CCA, the loss to the Issuer shall be calculated as being the amount which the Issuer should have received under such Purchased Receivable had the Purchased Receivable or Underlying Agreement not been so determined and on the assumption that all amounts under the Purchased Receivable and Underlying Agreement (including any option fees) would have been paid on a timely basis in full by the Customer (and disregarding any consideration as to the credit worthiness of the Customer) and including any amounts that would have accrued to the Issuer from the date on which such Related Underlying Agreement, was determined illegal, invalid, non-binding or unenforceable under the CCA or the FSMA or subject to a right to cancel or a right to withdraw under the CCA.

### ***Variations to Underlying Agreements***

Pursuant to the terms of the Servicing Agreement, GMAC UK plc has agreed that no changes shall be made to the Underlying Agreements that relate to the Purchased Receivables unless such changes are:

- (a) made in accordance with the terms of such Underlying Agreement and the Credit and Collection Procedures; and
- (b) not a Non-Permitted Variation,  
  
(such changes being **Permitted Variations**).

A **Non-Permitted Variation** is any change to an Underlying Agreement that relates to a Purchased Receivable which has the effect of:

- (a) reducing the Amount Financed;
- (b) reducing the Annual Percentage Rate;
- (c) reducing the total number of Monthly Payments; or
- (d) extending the term of the Purchased Receivable such that the last Monthly Payment Date falls after Last Receivable Maturity Date.

but in the case of paragraphs (a), (b) and (c) above, 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.

If GMAC UK plc agrees to any variation to an Underlying Agreement that relates to a Purchased Receivable which is a Non-Permitted Variation, the Seller must repurchase such Purchased Receivable from the Issuer on or before the end of the Calculation Period immediately following the Calculation Period in which such Non-Permitted Variation occurs. Any such repurchase by the Seller as a result of a Variation to an Underlying Agreement that relates to a Purchased Receivable which is a Non-Permitted Variation shall be made in accordance with and subject to the terms of the Receivables Sale and Purchase Agreement.

### ***Changes to the Credit and Collection Procedures***

Under the Servicing Agreement the Servicer will be permitted to make changes to the Credit and Collections Procedures and to adopt additional and/or alternative policies or procedures from time to time. The Servicer has agreed that any changes made to the Credit and Collection Procedures and any additional and/or alternative policies or procedures may be adopted by the Servicer in relation to the Credit and Collection Procedures. Any changes adopted may only be made in accordance with the Servicer Standard of Care. Any material change in the Credit and Collection Procedures of the Servicer shall be notified in writing to the Issuer, the Security Trustee, the Note Trustee and the Rating Agencies as soon as practicable after such change.

### ***Daily Cash Flows***

Pursuant to the Servicing Agreement, the Servicer will procure that (i) all Collections in respect of the Purchased Receivables and (ii) all amounts representing a Defaulted Receivables Payment (other than the Initial Defaulted Receivables Payment) in respect of a Defaulted Receivable which has been repurchased by the Seller pursuant to the Receivables Sale and Purchase Agreement, are credited to the Collections Accounts and are transferred within two Business Days following receipt by the Seller, directly into the Transaction Account.

### ***Collections Account Declaration of Trust***

In addition, the Seller has, pursuant to the terms of the Servicing Agreement, agreed to hold all amounts detailed in sub-paragraphs (i) and (ii) below and standing to the credit of the Collections Accounts on trust for *inter alia* the Issuer and itself absolutely (the **Collections Account Declaration of Trust**). The Seller shall hold upon trust:

- (i) for the Issuer absolutely, all amounts from time to time standing to the credit of the Collections Accounts to the extent that such amounts represent payments into the Collections Accounts derived from or resulting from the Purchased Receivables comprised in the Portfolio (but excluding any interest arising in respect of amounts standing to the credit of the Collections Accounts) (the **Issuer Trust Amounts**); and
- (ii) for itself and for others absolutely, all amounts from time to time standing to the credit of the Collections Accounts to the extent such amounts represent amounts other than the Issuer Trust Amounts (the **Seller Trust Amounts**).

As part of the same trust arrangements, the Seller will hold amounts in the Collections Accounts on trust for other securitisations that the Seller has undertaken. The terms of the Collections Account Declaration of Trust provide that in some circumstances the mandate to make payments from the Collections Account will be vested in an issuing vehicle in another securitisation. The issuing vehicle in that securitisation has covenanted that it will operate such mandate so as to pay over to the Issuer monies entrusted in favour of the Issuer. The Issuer's beneficial interest in the Trust is not affected by these arrangements.

The Seller has agreed that the Issuer Trust Amounts will be distributed to the Issuer in accordance with the terms of the Collections Account Declaration of Trust and acknowledges and agrees that the Seller Trust Amounts shall be distributed to the other beneficiaries of the Collections Account Declaration of Trust.

The Seller will further acknowledge that it has no right at any time to pay, set-off or transfer any of the Issuer Trust Amounts in or towards satisfaction of the liabilities of the Seller and that it shall hold such money as trustee for the Issuer and shall only be entitled to deal with the Issuer Trust Amounts in accordance with the terms of the Servicing Agreement, the Collections Account Declaration of Trust and the other Transaction Documents.

### ***Provision of Information***

The Servicer must prepare and deliver to the Issuer and the Calculation Agent, on or before each Calculation Date, the information in respect of the Receivables in the Portfolio that is necessary for the Calculation Agent to perform its obligations under the Calculation Agency Agreement, in particular to prepare the Calculation Report so that the Cash Manager, using the Calculation Report may prepare the Monthly Investor Report.

### ***Termination of appointment of Servicer***

The Issuer may terminate the appointment of the Servicer under the Servicing Agreement upon the occurrence of a Servicer Termination Event provided that: (i) a notice of termination is given by the Servicer or the Issuer to the Seller and the Security Trustee (with a copy to the Cash Manager, the Calculation Agent and the Rating Agencies); and (ii) the Issuer and the Security Trustee provide written instructions to effect such termination.

The Servicer may also resign its appointment on not less than 12 months' written notice to the Issuer, the Seller and the Security Trustee (with a copy being sent to the Cash Manager, the Calculation Agent and the Rating Agencies) provided that such resignation shall not take effect until the Issuer and the Security Trustee consent in writing to such resignation and deliver a Notice of Invocation to the Back-Up Servicer to act as Back-Up Servicer.

The Servicer has undertaken to indemnify the Issuer and the Security Trustee against any Loss incurred by any such party as a result of any default by the Servicer or any third party agent of the Servicer in performing any obligation under the Servicing Agreement. For the avoidance of doubt, the Servicer shall not be liable for any Loss suffered or incurred by the Issuer or the Security Trustee save where such Loss is suffered or incurred as a result of any negligence, fraud or wilful default of the Servicer or as a result of a breach by the Servicer of the terms and provisions of the Servicing Agreement or the other Transaction Documents in relation to such functions.

### ***Governing Law***

The Servicing Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by English law, except that any terms of the Servicing Agreement which are particular to Scots law shall be construed in accordance with the laws of Scotland and that any terms of the Servicing Agreement which are particular to Northern Irish law shall be governed by and construed in accordance with the laws of Northern Ireland.

### **Back-Up Servicing Agreement**

Following the occurrence of Servicer Termination Event, or resignation of the Servicer in accordance with the Servicing Agreement, a Notice of Invocation will be delivered whereupon the Back-Up Servicer will carry out the Core Services. In so doing the Back-Up Servicer will apply the Back-Up Servicer Standard. The Back-Up Standard means that the Back-Up Servicer will, at all times during the term of the Back-Up Servicing Agreement, perform its obligations in accordance with and subject to (and in the event that the Back-Up Servicer considers there to be a conflict between them, in the following priority):

- (a) any and all applicable laws and regulations;
- (b) the express terms of the Back-Up Servicing Agreement and the Underlying Agreements;
- (c) to the extent consistent with the foregoing and the Servicing Procedures, the standards of care of a prudent merchant in respect of money lent on the terms of the agreements governing the relevant Purchased Receivables and with a view to the timely collection of all sums due from the obligors thereunder and, in the event of any default by any such obligor, the maximisation of recovery to the Issuer on a net present value basis and taking into account:
  - (i) the likelihood of recovery of amounts due in respect of that Receivable;
  - (ii) the timing of recovery; and
  - (iii) the costs of recovery.

The Back-Up Servicing Agreement contains provisions for the replacement of the Back-Up Servicer in certain circumstances.

The Back-Up Servicing Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

### **Account Bank Agreement**

Pursuant to the terms of the Account Bank Agreement to be entered into on the Closing Date between the Issuer, the Account Bank, the Cash Manager, the Calculation Agent, the Servicer and the Security Trustee, the Issuer will agree to maintain the Transaction Account (together with any additional bank accounts) and the Swap Collateral Accounts (the **Issuer Bank Accounts**) in its name with the Account Bank.

Monies standing to the credit of the Transaction Account representing Available Revenue Receipts and Available Principal Receipts will be applied by the Cash Manager on each Interest Payment Date, in accordance with the Pre-Acceleration Revenue Priority of Payments and the Pre-Acceleration Principal Priority of Payments (as the case may be). If the Account Bank ceases to have all of the following ratings:

- (a) short-term, unsecured, unguaranteed and unsubordinated debt obligations rated at least A-1 by S&P (if a short-term rating is assigned by S&P);
- (b) long-term, unsecured and unsubordinated debt or counterparty obligations rated at least A by S&P (or A+ by S&P with respect to the long-term unsecured, unsubordinated and unguaranteed debt obligations, if the short-term unsecured, unsubordinated and unguaranteed debt obligations are not rated by S&P);
- (c) long-term, unsecured and unsubordinated debt or counterparty obligations rated at least A3 by Moody's, and
- (d) long-term, unsecured and unsubordinated debt or counterparty obligations rated at least A by DBRS,

or such other ratings that are consistent with the then published criteria of the relevant Rating Agency as being the minimum ratings that are required to support the then rating of the Class A Notes and the Class B Notes (the **Account Bank Ratings**), then 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 days to accounts held with a financial institution: (i) which has all the Account Bank Ratings; and (ii) which is a bank as defined in Section 991 of the Income Tax Act 2007 and which is situated in a Member State of the European Union, and authorised as a credit institution by a competent authority in a Member State of the European Union, for the purposes of Directive 2006/48/EC on credit institutions; or
- within 30 days, the Account Bank may obtain a guarantee in support of its obligations under the Account Bank Agreement from a financial institution which has all the Account Bank Ratings; or
- within 30 days, the Account Bank will take such other actions as may be requested by the parties to Account Bank Agreement (other than the Security Trustee) to ensure that the rating of the Class A Notes and the Class B Notes immediately prior to the Account Bank ceasing to have all of the Account Bank Ratings are not adversely affected by the Account Bank ceasing to have all of the Account Bank Ratings.

If the Account Bank fails to take such action within the required time, then the Calculation Agent or the Issuer shall (with the prior written consent of the Security Trustee) or the Security Trustee may terminate the

Account Bank Agreement with respect to the Account Bank in respect of the relevant Issuer Bank Account and close the Issuer Bank Accounts by giving not less than 30 days' prior written notice to the Account Bank (with a copy to, as applicable, the Cash Manager, the Issuer and the Security Trustee) subject to a replacement financial institution having been appointed which has all of the Account Bank Ratings.

The Account Bank Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

### **Agency Agreement**

On or prior to the Closing Date, the Issuer, the Note Trustee, the Principal Paying Agent, the Security Trustee, the Cash Manager, the Account Bank, the Registrar and the Agent Bank will enter into an agency agreement (the **Agency Agreement**) pursuant to which provision will be made for, among other things, payment of principal and interest in respect of the Notes. Pursuant to the terms of the Agency Agreement, Elavon Financial Services Limited will also be appointed as registrar with respect to the Subordinated Notes (the **Registrar**) and will agree to, among other things, maintain a register in respect of the Subordinated Notes (the **Register**).

The Agency Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English Law.

### **Cash Management Agreement**

The Issuer, the Cash Manager, the Calculation Agent, the Servicer and the Security Trustee will, on or before the Closing Date, enter into the Cash Management Agreement pursuant to which Elavon Financial Services Limited will be appointed to act as the Cash Manager in respect of amounts standing from time to time to the credit of the Issuer Bank Accounts and arrange for payments to be made on behalf of the Issuer from such accounts on the basis of instructions provided by the Calculation Agent in accordance with the Priority of Payment.

### ***Cash Management Services***

The Cash Manager is required to manage the operation of the Issuer Bank Accounts, and in each case give instructions to the Account Bank to enable it to perform its obligations. The Calculation Agent will perform certain calculations required under the Transaction Documents necessary for the determination and payment of the various cash flows and will communicate this information to the Cash Manager who 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, based on instructions given to it by the Calculation Agent, such amounts as are expressed to be calculations and determinations made by the Cash Manager in accordance with the Conditions of the Notes; and
- (b) applying 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 on the Transaction Account:

- (a) the **Revenue Deficiency Ledger** which shall record Revenue Deficiencies in respect of an Interest Payment Date;

- (b) the **Liquidity Reserve Ledger** which records all payments to and withdrawals from the Liquidity Reserve;
- (c) the **Principal Deficiency Ledger** (and sub-ledgers) which records Revenue Deficiencies and principal deficiencies arising from Defaulted Receivables and Voluntarily Terminated Receivables in the Portfolio;
- (d) the **Issuer Retained Profit Ledger** which shall record as a credit all amounts retained as Issuer Profit Amount in accordance with item (o) of the Pre-Acceleration Revenue Priority of Payments or item (k) of the Post-Acceleration Priority of Payments, as the case may be; and
- (e) the **Interest Rate Swap Ledger**, which records all payments made between the Issuer and the Swap Counterparty.

See further the section entitled "*Cash Management*" below.

Under the terms of the Cash Management Agreement, prior to the service of a Note Acceleration Notice, the following withdrawals and corresponding payments will be permitted to be made by the Cash Manager (as directed by the Seller) on any Business Day (each a **Permitted Withdrawal**):

- (a) Excess Recoveries Amount;
- (b) Pre-Closing Interest Amounts; and
- (c) Excluded Receivables Amount,

**provided that**, any such withdrawals shall (i) in any Calculation Period only be made up to a maximum amount equal to the Revenue Receipts received in such Calculation Period, (ii) be made prior to administration of the applicable Priority of Payments and (iii) for the avoidance of doubt, such amounts shall not be included as Available Revenue Receipts.

In return for the services provided, the Cash Manager will receive a fee (exclusive of VAT, if any) paid monthly in arrears in accordance with the applicable Priority of Payments.

### ***Monthly Investor Report***

The Cash Manager will prepare the Monthly Investor Report on each Interest Payment Date on the basis of a Calculation Report prepared by the Calculation Agent. Such Monthly Investor Report will contain information with regard to the Purchased Receivables. The Monthly Investor Report will also include, among other things, the following information in respect of the Purchased Receivables: (i) the number of the Related Underlying Agreement; (ii) distribution by remaining term; (iii) statistics on prepayments, Defaulted Receivables and Voluntarily Terminated Receivables; (iv) details relating to repurchases of Purchased Receivables by the Seller pursuant to the terms of the Receivables Sale and Purchase Agreement and (v) details (provided, where relevant by the Cash Manager as calculated by the Calculation Agent and communicated to the Cash Manager) with respect to the rates of interest, Note principal and interest payments and other payments made by the Issuer.

### ***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) the making of an order or the passing of a resolution for the administration, winding up, dissolution or other similar or analogous procedure in respect of such entity;
- (b) such entity entering into any voluntary arrangement, scheme or arrangement, composition or arrangement with creditors;
- (c) the appointment of any receiver, receiver and manager, manager, administrative receiver, administrator or liquidator or any similar or analogous official in respect of the whole or substantially the whole of the property of such entity;
- (d) the Cash Manager ceases or threatens to cease to carry on its business or a substantial part of its business or stops payment or threatens to stop payment of its debts or is deemed unable to pay its debts or becomes unable to pay its debts as they fall due;
- (e) the Cash Manager for a continuous unremedied period of five Business Days, fails to instruct that a deposit or a payment be made when required by the Cash Manager under the Cash Management Agreement (subject to there being sufficient funds in the relevant Issuer Bank Account for such purpose and the Cash Manager having received all material information that is to be provided by any other party which is required for the Cash Manager to be able to perform its payment duties hereunder); or
- (f) such entity fails to perform or observe any of its material duties, obligations, covenants or services under the Cash Management Agreement and such default continues unremedied for a period of 60 days after the earlier of (I) the entity becoming aware of such default or (II) receipt by the entity of notice from the Issuer, the Calculation Agent or the Security Trustee requiring the same to be remedied.

If the appointment of the Cash Manager is terminated, the Issuer shall as soon as reasonably possible and, in any event, within sixty days, appoint a new cash manager (the **Replacement Cash Manager**) provided that, so long as a Servicer Termination Event has not occurred the Servicer has consented to the identity of such Replacement Cash Manager, such consent not to be unreasonably withheld. In accordance with the terms of the Cash Management Agreement, any Replacement Cash Manager, must:

- (a) in the reasonable opinion of the Issuer (or the resigning Cash Manager as applicable) have experience of cash management in relation to auto finance agreements in England and Wales, Northern Ireland and Scotland; and
- (b) enter into an agreement with the Issuer and the Security Trustee substantially on the terms of the existing Cash Management Agreement, and at fees which are, in the opinion of the Issuer and the Calculation Agent consistent with those payable generally at the relevant time for the provision of consumer auto finance services (the **Replacement Cash Management Agreement**).

The Issuer shall (subject to the permission of the Servicer, not to be unreasonably withheld and provided that a Servicer Termination Event has not occurred) give its consent to the termination of the appointment of the Cash Manager and the appointment of a Replacement Cash Manager, where the Replacement Cash Manager satisfies the criteria set out in paragraphs (a) and (b) above.

The Cash Manager may also resign its appointment on no less than 60 days' written notice to the Issuer, the Seller, the Servicer and the Security Trustee with a copy being sent to the Rating Agencies provided that such resignation shall not take effect until the Issuer and the Servicer consent in writing to such resignation, such consent not to be unreasonably withheld. No termination or resignation of the Cash Manager may take effect until a Replacement Cash Manager has been appointed in its place.

Where no suitable entity is found that satisfies the criteria set out above, the Security Trustee, the Issuer and the Servicer shall consent to the appointment of an entity as Replacement Cash Manager, such consent not to be unreasonably withheld where the Security Trustee has been directed to do so by an Extraordinary Resolution of the holders of the Most Senior Class of Notes.

The Cash Manager has undertaken to indemnify the Issuer and the Security Trustee against any loss incurred by any such party as a result of any default by the Cash Manager in performing any obligation under the Cash Management Agreement. In addition, pursuant to the terms of the Cash Management Agreement, the Security Trustee shall not 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.

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 dated on or about the Closing Date between, *inter alia*, the Issuer and the Cash Manager (the **Cash Management Fee**). The Cash Management Fee will be exclusive of any amount in respect of VAT.

### ***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.

### **Calculation Agency Agreement**

The Issuer, the Servicer, the Seller, the Cash Manager and the Calculation Agent will, on or before the Closing Date, enter into a Calculation Agency Agreement pursuant to which GMAC UK plc will be appointed to act as the Calculation Agent. The Calculation Agent will use information provided to it by the Servicer to undertake calculations in relation to any amounts required pursuant to the Transaction Documents, and then to instruct the Cash Manager in the operation of the Issuer Bank Accounts and other related responsibilities.

In particular the Calculation Agent will calculate amounts to be paid out of the Transaction Account on each Interest Payment Date in accordance with the applicable Priority of Payments. On or before each Calculation Date the Calculation Agent will deliver to the Issuer and to the Cash Manager *inter alia* the Calculation Report setting out details of the amounts calculated by it pursuant to the Calculation Agency Agreement and other related information.

The Calculation Agent will receive a fee on each Interest Payment Date as agreed between the Calculation Agent and the Issuer.

The Calculation Agent's appointment may be terminated by the Issuer at any time upon the occurrence of any of the following events (each a **Calculation Agent Termination Event**):

- (a) an Insolvency Event in respect of the Calculation Agent;
- (b) the Calculation Agent entering into any voluntary arrangement, scheme or composition with creditors;
- (c) the Calculation Agent fails to perform or observe any of its material duties, obligations, covenants or services under the Calculation Agency Agreement or the Cash Management Agreement and such default is continuing unremedied or is not waived for a period of 10 Business Days after the earlier of (A) the Calculation Agent becoming aware of such default or (B) receipt by the Calculation Agent of written notice from the Issuer or the Security Trustee requiring the same to be remedied.

The Issuer may also terminate the appointment of the Calculation Agent upon 30 days' prior written notice without a Calculation Agent Termination Event having occurred provided that the Servicer has certified that in its opinion such termination will not affect the ratings of the Class A Notes or the Class B Notes.

The Calculation Agent may resign as Calculation Agent at any time without assigning reason therefor and without responsibility for any associated costs upon not less than 60 days' prior written notice to the Issuer. Any such termination (without a Calculation Agent Termination Event) or resignation will only take effect upon appointment of a successor calculation agent by the Issuer.

The Calculation Agency Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

### **Swap Agreement**

On or prior to the Closing Date, the Issuer will enter into a fixed/floating interest rate swap transaction with the Swap Counterparty under an International Swaps and Derivatives Association Inc. 1992 Master Agreement in order to address certain risks arising as a result of the interest rate mis-match between the fixed rate of interest payable under the Underlying Agreements (and therefore received by the Issuer in respect of the Purchased Receivables) and the floating rate of interest payable by the Issuer under the Class A Notes and the Class B Notes.

For a more detailed description of the terms of the Swap Agreement, see the section headed "*Credit Structure, Liquidity and Hedging*" and the paragraph headed "*Interest Rate Risk*" in the Section headed "*Risk Factors*".

The Swap Agreement and any non-contractual obligations arising out of or in connection therewith shall be governed by English law.

### **Trust Deed**

The Notes will be constituted pursuant to the Trust Deed to be entered into on the Closing Date between the Issuer and the Note Trustee.

U.S. Bank Trustees Limited will agree to act as Note Trustee subject to the conditions contained in the Trust Deed. The Trust Deed will contain provisions requiring the Note Trustee to have regard to the interests of the holders of all Classes of Notes issued by the Issuer unless in the Note Trustee's opinion there is a conflict between the interests of the holders of the different Classes of Notes, in which case the Note Trustee will be required to have regard only to the interests of the holders of the Most Senior Class of Notes then outstanding.

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 Noteholders holding the Most Senior Class of Notes may by Extraordinary Resolution remove the Note Trustee by giving not less than 60 days' prior written notice to the Issuer and the Note Trustee provided a replacement is appointed pursuant to the Trust Deed.

In addition, the Note Trustee shall then only be bound to take any action at the direction of the Noteholders if it shall be indemnified and/or pre-funded and/or secured to its satisfaction against all liabilities to which it may render itself liable or which it may incur by so doing. Under no circumstances is the Note Trustee required to use its own funds in relation to expenses incurred in connection with the Trust Deed.

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 Terms and Conditions of the Notes, including a summary of the provisions regarding Meetings of the Noteholders, are reproduced in full in the section headed "*Terms and Conditions of the Notes*".

The Trust Deed and any non-contractual obligations arising out of or in connection with it will be governed by English law.

### **Deed of Charge**

On the Closing Date, the Issuer, the Security Trustee, the Note Trustee and the Secured Creditors among others will enter into the Deed of Charge.

### ***Security***

Pursuant to the Deed of Charge, to secure the Secured Liabilities, the Issuer will create security in favour of the Security Trustee for it and the other Secured Creditors as follows:

- (a) a charge by way of first fixed charge over all of the Issuer's right, title, interest and benefit, present and future, in, to, under and pursuant to the Purchased Receivables and their Ancillary Rights, in and to all monies, rights, powers and property distributed or derived from, or accrued in or related to the Issuer's interest in the Purchased Receivables, and all of its powers relative thereto;
- (b) an assignation in security of the Issuer's interest in the Scottish Receivables (comprising the Issuer's beneficial interest under the trust declared by the Seller pursuant to the Scottish Declaration of Trust);
- (c) an assignment by way of security of (or, to the extent not assignable, charges by way of a first fixed charge over) the benefit of the Issuer's right, title, benefit and interest present and future in the Charged Documents;
- (d) a first fixed charge over all of the Issuer's right, title, benefit and interest, present and future, in the property held in the Collections Account Declaration of Trust;
- (e) an assignment by way of security of (or, to the extent not assignable, charges by way of a first fixed charge over) the Issuer's rights in respect of any amount standing from time to time to the credit of the Issuer Bank Accounts, all interest paid or payable in relation to those amounts and the debts represented thereby (which, in the case of a fixed charge, may take effect as a floating charge and so rank behind the claims of any preferential creditors of the Issuer);
- (f) a first floating charge over all of the present and future property, assets and undertakings of the Issuer not subject to the fixed charges or assignments by way of security described above (but excepting from the foregoing exclusion all of the Issuer's property, assets and undertaking situated in Scotland or the rights to which are governed by Scots law, all of which are charged by way of floating charge); and
- (g) a first fixed charge over all of the Issuer's rights in respect of (i) the Authorised Investments made or purchased from time to time by or on behalf of the Issuer (whether owned by the Issuer or held by any nominee on the Issuer's behalf) and (ii) all interest, moneys and proceeds paid or payable in relation to those Authorised Investments,

together, the **Charged Property**.

The Security Trustee will hold the benefit of the Charged Property, together with the covenants given to it as Security Trustee under the Transaction Documents, on trust for the Secured Creditors to secure the Secured Liabilities.

Notwithstanding the security granted over the Issuer Bank Accounts, the Issuer and the Cash Manager are (prior to service of a Note Acceleration Notice) permitted to make payments out of such accounts for the purposes, among other things, of making payments and transfers in accordance with the Deed of Charge, the Cash Management Agreement and the Agency Agreement, and, prior to service of a Note Acceleration Notice, to make payments to third parties when these fall due. See further the paragraph headed "*Fixed charges may take effect under English law as floating charges*" in the section headed "*Risk Factors*".

### ***Rights over the Proceeds***

In the event the security over the Charged Property becomes enforceable, the Issuer has granted the Security Trustee the right to direct the Issuer as to how to deal with the Charged Property.

The Secured Creditors will have no right of set-off.

### ***Priority of Payments***

The Priority of Payments, indicating the order in which payments should be made from funds available to the Issuer, are set out in full in the Cash Management Agreement and the Deed of Charge. Prior to service of a Note Acceleration Notice, Available Revenue Receipts are used in accordance with the Pre-Acceleration Revenue Priority of Payments and Available Principal Receipts are used in accordance with the Pre-Acceleration Principal Priority of Payments. Following the service of a Note Acceleration Notice, the Post-Acceleration Priority of Payments will apply.

### ***No other Enforcement Rights***

Under the terms of the Deed of Charge, the Issuer will undertake, following the occurrence of an Event of Default, to comply with all directions of the Security Trustee in relation to the management and administration of the Charged Property. The Issuer will also grant irrevocable powers of attorney under English law in favour of the Security Trustee to empower the Security Trustee to take such action in the name of the Issuer as the Security Trustee may deem necessary to protect the interests of Secured Creditors in respect of the Charged Property.

At any time after the Notes shall have become due and repayable and the Security therefor shall have become enforceable, no Noteholder or any other Secured Creditor will be entitled to proceed directly against the Issuer unless the Security Trustee, having become bound so to proceed, fails to do so within a reasonable period of time. The Note Trustee will not be able to direct the Security Trustee to enforce the Security at the request of any Secured Creditor other than the Noteholders, pursuant to a request in writing from the holders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes or an Extraordinary Resolution of the Most Senior Class of Notes.

The Notes are limited recourse obligations of the Issuer and, if, after the distribution of all the Issuer's assets, there are amounts that are not paid in full, any amounts outstanding will be deemed to be discharged in full and any payment rights are deemed to cease as described in more detail in Condition 10 (Enforcement).

### ***Governing Law***

The Deed of Charge and any non-contractual obligations arising out of or in connection with it will be governed by English law (other than the assignment in security referred to above which will be governed by Scots law and certain Northern Irish provisions which will be governed by the laws of Northern Ireland).

## **Corporate Services Agreement**

On the Closing Date, the Issuer, Holdings and the Share Trustee will enter into the Corporate Services Agreement with the Corporate Services Provider under which the Corporate Services Provider will agree to provide certain corporate administration services to the Issuer and Holdings. In return for the services provided, the Corporate Services Provider will receive a fee (exclusive of VAT, if any) paid semi-annually in advance in accordance with the relevant Priority of Payments.

The Corporate Services Provider may resign its appointment upon not less than 30 days' written notice to each of the parties to the Corporate Services Agreement, provided that:

- (a) if such resignation would otherwise take effect less than 30 days before or after the Final Maturity Date or any other date for redemption of the Notes or any Interest Payment Date in relation to the Notes, it shall not take effect until the thirtieth day following such date; and
- (b) no resignation by or termination or revocation of the appointment of the Corporate Services Provider shall take effect until a successor has been duly appointed in accordance with the Corporate Services Agreement.

The Issuer or Holdings may (with the prior written approval of the Security Trustee) revoke its appointment of the Corporate Services Provider by not less than 30 days' notice to the Corporate Services Provider (with a copy to the Security Trustee).

In addition, the appointment of the Corporate Services Provider shall terminate forthwith if:

- (i) in the reasonable opinion of the Issuer or Holdings, the Corporate Services Provider becomes incapable of acting;
- (ii) a default is made by the Corporate Services Provider in the performance or observance of any of its covenants and obligations under the Corporate Services Agreement; or
- (iii) an Insolvency Event occurs in relation to the Corporate Services Provider.

If the appointment of the Corporate Services Provider is terminated, the Issuer or Holdings undertakes that it will forthwith appoint a successor provided that the Servicer certifies that in its opinion such appointment will not affect the ratings of the Class A Notes or the Class B Notes.

The Corporate Services Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

## **Subordinated Loan Agreement**

GMAC UK plc as Subordinated Loan Provider will make available to the Issuer under the Subordinated Loan Agreement the Subordinated Loan which will be advanced to the Issuer on the Closing Date. The Subordinated Loan will be drawn down in the form of a single tranche comprising the Start-up Costs Proceeds and the Liquidity Reserve Proceeds.

The Start-up Costs Proceeds will be an amount equal to nil and shall be used in or towards payment of initial fees, costs and expenses of the Issuer incurred on or prior to the Closing Date. The Start-up Costs Proceeds will be repaid on each Interest Payment Date in accordance with the Pre-Acceleration Revenue Priority of Payments or Post-Acceleration Priority of Payments until repaid in full.

The Liquidity Reserve Proceeds will be an amount equal to the higher of £200,000 and 2.0 per cent. of the Principal Amount Outstanding of the aggregate of the Class A Notes and the Class B Notes as at the Closing

Date and shall be used to establish the Liquidity Reserve in an amount equal to or greater than the Liquidity Reserve Required Amount on the Closing Date. The Liquidity Reserve Proceeds will be repayable on and from the Final Redemption Date.

The Issuer's obligations under the Subordinated Loan Agreement will be secured by the Deed of Charge but rank behind the claims of the Noteholders.

The Subordinated Loan Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

For further information on the Subordinated Loan and the Liquidity Reserve, see the section headed "*Credit Structure, Liquidity and Hedging*".

## **USE OF PROCEEDS**

The proceeds from the issue of the Class A Notes will be £440,000,000, the proceeds from the issue of the Class B Notes will be £16,800,000 and the proceeds from the issue of the Subordinated Notes will be £24,075,000.

On the Closing Date, the Issuer will pay to the Seller the aggregate Initial Purchase Price calculated on or around the Closing Date for the Purchased Receivables on the Closing Date.

The Start-up Costs Proceeds advanced under the Subordinated Loan will, to the extent necessary, be applied towards payment of the initial fees and expenses incurred on or prior to the Closing Date by the Issuer payable in connection with the Securitisation.

The Liquidity Reserve Proceeds advanced under the Subordinated Loan will be deposited in the Transaction Account and used to establish the Liquidity Reserve in an amount equal to or greater than the Liquidity Reserve Required Amount.



## **THE PROVISIONAL PORTFOLIO**

### **General**

Information contained in this section is based on the Provisional Portfolio as at the Cut-off Date.

The Portfolio is comprised of Receivables originated by the Seller and purchased by the Issuer on the Closing Date. All Receivables in the Portfolio are derived from Underlying Agreements.

The Purchased Receivables which comprise the Portfolio will be purchased (and, as applicable, held under the Scottish Declaration of Trust) by the Issuer from GMAC UK plc as Seller pursuant to the terms of the Receivables Sale and Purchase Agreement to be entered into on the Closing Date. The information contained in this section relates to the Receivables which will satisfy the Eligibility Criteria as at the Closing Date, on which date the Purchased Receivables will be transferred by the Seller.

### **The Receivables**

The Receivables are comprised of amounts due under the Underlying Agreements. The Underlying Agreements are entered into by retail customers with some directed at small businesses/commercial customers that are resident in England, Scotland or Northern Ireland. The Underlying Agreements are available for both new and used vehicles. The Underlying Agreements carry a fixed rate of return, amortised in equal monthly instalments over the repayment period, which varies between 12 and 60 months. The Customer is the registered keeper of the Vehicle, although GMAC UK plc remains the owner unless and until the Customer exercises its option to purchase the Vehicle.

### **The Purchased Receivables**

Under the Receivables Sale and Purchase Agreement, the Seller will assign and transfer (and, as applicable, hold under the Scottish Declaration of Trust) to the Issuer the Purchased Receivables and Ancillary Rights which have an aggregate principal balance of £480,875,946.38 at the Cut-off Date.

### **Representations and warranties in respect of the Portfolio**

None of the Issuer, the Note Trustee or the Security Trustee has undertaken or will undertake any investigation to verify the details of the Purchased Receivables and each will rely solely on the representations and warranties given by the Seller to the Issuer pursuant to the Receivables Sale and Purchase Agreement. Pursuant to the Receivables Sale and Purchase Agreement, the Seller will make certain representations and warranties to the Issuer regarding, among other things, its status and the validity of the Purchased Receivables and the Related Underlying Agreements. Such representations and warranties will be given to the Issuer on the Closing Date and, in respect of the Eligibility Criterion set out in paragraph 3 below, the date on which any Variation is agreed by the Servicer in respect of a Purchased Receivable.

For more detailed information on the representations and warranties in respect of the Portfolio please refer to the Section headed "*Overview of the Transaction Documents*".

### **Eligibility Criteria**

The Seller will select from the Provisional Portfolio the Receivables to be transferred and assigned to the Issuer (and, as applicable, held under the Scottish Declaration of Trust) on the basis of the Eligibility Criteria. In order for a Purchased Receivable to meet the Eligibility Criteria, the Purchased Receivable or, as the case may be, the Related Underlying Agreement from which it is derived must have satisfied the following criteria.

1. As at the Cut-off Date:
  - (a) in respect of a Purchased Receivable, the Related Underlying Agreement relates to a new car, a used car or a light commercial vehicle;
  - (b) in respect of a Purchased Receivable, the Related Underlying Agreement relates to an agreement that provides for level Monthly Payments by the Customer (provided that the payment in the first month and the final month of the life of the Purchased Receivable may be different from the level payment) that shall amortise the amount financed by maturity (subject to any provision in the Underlying Agreement for changing the payment to reflect cancellation or termination of insurance);
  - (c) in respect of a Purchased Receivable, the Related Underlying Agreement was originated after 1 April 2011 and before 30 September 2014;
  - (d) in respect of a Purchased Receivable, the Related Underlying Agreement has an Outstanding Principal Balance of not less than £1,000;
  - (e) in respect of a Purchased Receivable, the Related Underlying Agreement has an Outstanding Principal Balance of not greater than £40,000;
  - (f) in respect of a Purchased Receivable, the Related Underlying Agreement has had at least one scheduled Monthly Payment made in respect of it by the Customer;
  - (g) in respect of a Purchased Receivable, the Related Underlying Agreement does not have an APR in excess of 29%;
  - (h) in respect of a Purchased Receivable, the Related Underlying Agreement is freely transferable by the Seller;
  - (i) in respect of a Purchased Receivable, the Related Underlying Agreement is an agreement under which no withholding taxes are applicable to any payments made under it;
  - (j) in respect of a Purchased Receivable, the Related Underlying Agreement is an agreement in respect of which no stamp duty or stamp duty reserve tax is payable including in connection with the transfer of the Purchased Receivables or Ancillary Rights to the Issuer;
  - (k) in respect of a Purchased Receivable, the Related Underlying Agreement is originated in the United Kingdom by GMAC UK plc, in accordance with the Seller's Credit and Collection Procedures and is governed by the laws of England and Wales, Scotland or Northern Ireland, as applicable;
  - (l) in respect of a Purchased Receivable, the Related Underlying Agreement has an original term of no more than 60 months;
  - (m) none of the Purchased Receivables is due from a customer who is either an employee or an officer of the Seller or its respective affiliate;
  - (n) the Purchased Receivables are denominated and payable in Sterling;
  - (o) none of the Purchased Receivables is a Defaulted Receivable or a VT Receivable;
  - (p) except for the Chevrolet brand, none of the Receivables arises in connection with a brand currently owned by GM where GM has taken a decision to discontinue the retail of such

brand (in whole or in substantial parts) in the UK market. Receivables arising in connection with a Chevrolet contract shall only be eligible if originated after 1 January 2014;

- (q) none of the Purchased Receivables is considered past due, that is, all payments due on that Purchased Receivable in excess of £10.00 were received within 31 days of the scheduled payment date, and such Purchased Receivable has not been a Liquidating Receivable; and
  - (r) each of the Purchased Receivables is due from a customer who is a UK resident.
2. As at the Cut-off Date, the Seller's interest in relation to the related Vehicle is registered with a nationally recognised agency that regulates and records interests in vehicles (including car data register).
  3. On each date on which a Variation is agreed in respect of a Purchased Receivable, the Variation is not a Non-Permitted Variation.
  4. All customers who are individuals were aged 18 years or older at the date of entering into the Related Underlying Agreement.
  5. Where a customer under an Underlying Agreement has a guarantee from a third party, the Eligibility Criteria in respect of the customers are complied with as if the reference to customer were instead to the guarantor.

The following statistical information is given in relation to the Provisional Portfolio as at the Cut-off Date.

**Summary of Provisional Portfolio (as of the Cut-off Date)**

1.	Number of Underlying Agreements	50,192
2.	Total current Outstanding Principal Balance	£480,875,946.38
3.	Average current Outstanding Principal Balance	£9,580.73
4.	Minimum current Outstanding Principal Balance	£1,004.25
5.	Maximum current Outstanding Principal Balance	£28,655.78
6.	Weighted Average Discounted Rate	6.23%
7.	Minimum Discount Rate	5.00%
8.	Maximum Discount Rate	28.88%
9.	Weighted Average Scheduled Remaining Term (months)	51.39
10.	Minimum Scheduled Remaining Term (months)	6
11.	Maximum Scheduled Remaining Term (months)	59
12.	Minimum Original Maturity (months)	8
13.	Maximum Original Maturity (months)	60
14.	Weighted Average Seasoning (months)	5.76
15.	Direct Debit by Outstanding Balance (%)	99.87%

### Type of Underlying Agreements

	Number of Underlying Agreements	Percentage Distribution by number	Outstanding Principal Balance	Percentage Distribution by Outstanding Principal Balance
		(%)		(%)
Cars New	37,706	75.12	391,918,881	81.50
Cars Used	12,486	24.88	88,957,065	18.50
<b>Total</b>	<b>50,192</b>	<b>100.00</b>	<b>480,875,946</b>	<b>100.00</b>

### Payment Method

	Number of Underlying Agreements	Percentage Distribution by number	Outstanding Principal Balance	Percentage Distribution by balance
		(%)		(%)
Direct Debit	50,118	99.85	480,255,556	99.87
Manual Payment	74	0.15	620,390	0.13
<b>Total</b>	<b>50,192</b>	<b>100.00</b>	<b>480,875,946</b>	<b>100.00</b>

### Distribution by original Principal

Size by Original Principal	Number of Underlying Agreements	Percentage Distribution by number	Outstanding Principal Balance	Percentage Distribution by balance
		(%)		(%)
0.01 - 5,000.00	2,860	5.70	9,691,206	2.02
5,000.01 – 10,000.00	15,794	31.47	106,844,155	22.22
10,000.01 – 15,000.00	21,984	43.80	223,888,290	46.56
15,000.01 – 20,000.00	7,581	15.10	104,982,769	21.83
20,000.01 – 25,000.00	1,811	3.61	31,902,971	6.63
25,000.01 – 30,000.00	145	0.29	3,120,350	0.65
30,000.01 – 35,000.00	16	0.03	417,627	0.09
35,000.01 – 40,000.00	1	0.00	28,578	0.01
<b>Total</b>	<b>50,192</b>	<b>100.00</b>	<b>480,875,946</b>	<b>100.00</b>

### Distribution by Outstanding Principal Balance

<b>Size by Current Principal</b>	<b>Number of Underlying Agreements</b>	<b>Percentage Distribution by number</b>	<b>Outstanding Principal Balance</b>	<b>Percentage Distribution by balance</b>
		(%)		(%)
0.01 - 5,000.00	4,908	9.78	18,551,977	3.86
5,000.01 – 10,000.00	23,700	47.22	186,277,766	38.74
10,000.01 – 15,000.00	17,811	35.49	211,601,422	44.00
15,000.01 – 20,000.00	3,506	6.99	58,625,043	12.19
20,000.01 – 25,000.00	251	0.50	5,391,615	1.12
25,000.01 – 30,000.00	16	0.03	428,125	0.09
30,000.01 – 35,000.00	-	-	-	-
<b>Total</b>	<b>50,192</b>	<b>100.00</b>	<b>480,875,946</b>	<b>100.00</b>

### Distribution by Annual Yield

<b>Apr Range</b>	<b>Number of Underlying Agreements</b>	<b>Percentage Distribution by number</b>	<b>Outstanding Principal Balance</b>	<b>Percentage Distribution by balance</b>
		(%)		(%)
0.00%	29,883	59.54	316,716,291	65.86
0.00% > X <= 2.00%	19	0.04	113,909	0.02
2.00% > X <= 4.00%	2,594	5.17	25,671,165	5.34
4.00% > X <= 6.00%	3,328	6.63	30,229,933	6.29
6.00% > X <= 8.00%	3,685	7.34	31,297,709	6.51
8.00% > X <= 10.00%	3,330	6.63	26,009,483	5.41
10.00% > X <= 12.00%	3,350	6.67	24,207,419	5.03
12.00% > X <= 14.00%	2,016	4.02	13,588,372	2.83
14.00% > X <= 16.00%	1,045	2.08	6,465,752	1.34
16.00% > X <= 18.00%	492	0.98	3,352,970	0.70
18.00% > X <= 20.00%	172	0.34	1,237,048	0.26
20.00% > X <= 22.00%	260	0.52	1,916,832	0.40
22.00% > X <= 24.00%	8	0.02	26,939	0.01
24.00% > X <= 26.00%	8	0.02	34,059	0.01
26.00% > X <= 28.00%	-	-	-	-
28.00% > X <= 30.00%	2	0.00	8,066	0.00
<b>Total</b>	<b>50,192</b>	<b>100.00</b>	<b>480,875,946</b>	<b>100.00</b>

### Distribution by Discounted Rate

<b>Discounted Rate</b>	<b>Number of Underlying Agreements</b>	<b>Percentage Distribution by number</b>	<b>Outstanding Principal Balance</b>	<b>Percentage Distribution by balance</b>
		(%)		(%)
4.00% > X <= 6.00%	35,824	71.37	372,731,297	77.51
6.00% > X <= 8.00%	3,685	7.34	31,297,709	6.51
8.00% > X <= 10.00%	3,330	6.63	26,009,483	5.41
10.00% > X <= 12.00%	3,350	6.67	24,207,419	5.03
12.00% > X <= 14.00%	2,016	4.02	13,588,372	2.83
14.00% > X <= 16.00%	1,045	2.08	6,465,752	1.34
16.00% > X <= 18.00%	492	0.98	3,352,970	0.70
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24.00% > X <= 26.00%	8	0.02	34,059	0.01
26.00% > X <= 28.00%	-	-	-	-
28.00% > X <= 30.00%	2	0.00	8,066	0.00
<b>Total</b>	<b>50,192</b>	<b>100.00</b>	<b>480,875,946</b>	<b>100.00</b>

### Customer Type

	<b>Number of Underlying Agreements</b>	<b>Percentage Distribution by number</b>	<b>Outstanding Principal Balance</b>	<b>Percentage Distribution by balance</b>
		(%)		(%)
Corporate	755	1.50	7,814,609	1.63
Private	49,437	98.50	473,061,337	98.37
<b>Total</b>	<b>50,192</b>	<b>100.00</b>	<b>480,875,946</b>	<b>100.00</b>

## Distribution by Vehicle Manufacturer

<b>Vehicle Manufacturer</b>	<b>Number of Underlying Agreements</b>	<b>Percentage Distribution by number</b> (%)	<b>Outstanding Principal Balance</b>	<b>Percentage Distribution by balance</b> (%)
Vauxhall	44,588	88.83	438,110,081	91.11
Ford	970	1.93	6,911,050	1.44
Renault	561	1.12	4,002,660	0.83
Peugeot	531	1.06	3,547,130	0.74
Chevrolet	526	1.05	4,500,045	0.94
Volkswagen	433	0.86	3,412,732	0.71
Nissan/Datsun	432	0.86	3,351,237	0.70
Citroen	332	0.66	2,378,617	0.49
Hyundai	307	0.61	2,418,673	0.50
BMW	269	0.54	2,549,418	0.53
Audi	217	0.43	2,246,772	0.47
Fiat	217	0.43	1,274,271	0.26
Toyota	187	0.37	1,252,397	0.26
Honda	114	0.23	744,060	0.15
Mazda	103	0.21	657,050	0.14
Mercedes Benz	96	0.19	858,522	0.18
Other	76	0.15	797,576	0.17
Suzuki	73	0.15	509,771	0.11
Volvo	64	0.13	504,054	0.10
Saab	26	0.05	164,306	0.03
Isuzu/GM	19	0.04	241,781	0.05
Chrysler	14	0.03	86,813	0.02
Jaguar	9	0.02	71,092	0.01
Porsche	9	0.02	146,502	0.03
Jeep	8	0.02	67,324	0.01
MG	6	0.01	38,948	0.01
Subaru	3	0.01	19,167	0.00
Dodge	1	0.00	8,419	0.00
Kia	1	0.00	5,478	0.00
<b>Total</b>	<b>50,192</b>	<b>100.00</b>	<b>480,875,946</b>	<b>100.00</b>

## Area Analysis

<b>Geographical Region</b>	<b>Number of Underlying Agreements</b>	<b>Percentage Distribution by number</b>	<b>Outstanding Principal Balance</b>	<b>Percentage Distribution by balance</b>
		(%)		(%)
East Anglia	2,041	4.07	20,013,791	4.16
East Midlands	3,055	6.09	30,789,676	6.40
North	3,379	6.73	32,161,763	6.69
North West	5,316	10.59	49,510,709	10.30
Northern Ireland	1,694	3.38	16,045,054	3.34
Scotland	6,532	13.01	59,053,577	12.28
South East including London	13,068	26.04	127,472,595	26.51
South West	4,259	8.49	41,143,231	8.56
Wales	2,179	4.34	21,291,493	4.43
West Midlands	4,825	9.61	45,867,273	9.54
Yorkshire & Humberside	3,844	7.66	37,526,784	7.80
<b>Total</b>	<b>50,192</b>	<b>100.00</b>	<b>480,875,946</b>	<b>100.00</b>

## Distribution by Year of Origination

<b>Year of Origination</b>	<b>Number of Underlying Agreements</b>	<b>Percentage Distribution by number</b>	<b>Outstanding Principal Balance</b>	<b>Percentage Distribution by balance</b>
		(%)		(%)
2011	121	0.24	512,284	0.11
2012	1,379	2.75	7,831,989	1.63
2013	4,220	8.41	38,298,548	7.96
2014	44,472	88.60	434,233,126	90.30
<b>Total</b>	<b>50,192</b>	<b>100.00</b>	<b>480,875,946</b>	<b>100.00</b>

## Distribution by Term at Origination

<b>Original Term</b>	<b>Number of Underlying Agreements</b>	<b>Percentage Distribution by number</b>	<b>Outstanding Principal Balance</b>	<b>Percentage Distribution by balance</b>
		(%)		(%)
6 <= X <= 12	51	0.10	156,984	0.03
12 < X <= 24	943	1.88	4,030,040	0.84
24 < X <= 36	4,290	8.55	26,567,447	5.52
36 < X <= 48	5,632	11.22	43,696,594	9.09
48 < X <= 60	39,276	78.25	406,424,882	84.52
<b>Total</b>	<b>50,192</b>	<b>100.00</b>	<b>480,875,946</b>	<b>100.00</b>



### Distribution by Remaining Term

<b>Remaining Term</b>	<b>Number of Underlying Agreements</b>	<b>Percentage Distribution by number</b>	<b>Outstanding Principal Balance</b>	<b>Percentage Distribution by balance</b>
		(%)		(%)
0 < X <= 12	190	0.38	452,839	0.09
12 < X <= 24	1,359	2.71	5,940,073	1.24
24 < X <= 36	5,653	11.26	35,804,393	7.45
36 < X <= 48	6,268	12.49	51,329,116	10.67
48 < X <= 60	36,722	73.16	387,349,526	80.55
<b>Total</b>	<b>50,192</b>	<b>100.00</b>	<b>480,875,946</b>	<b>100.00</b>

### Distribution by Seasoning

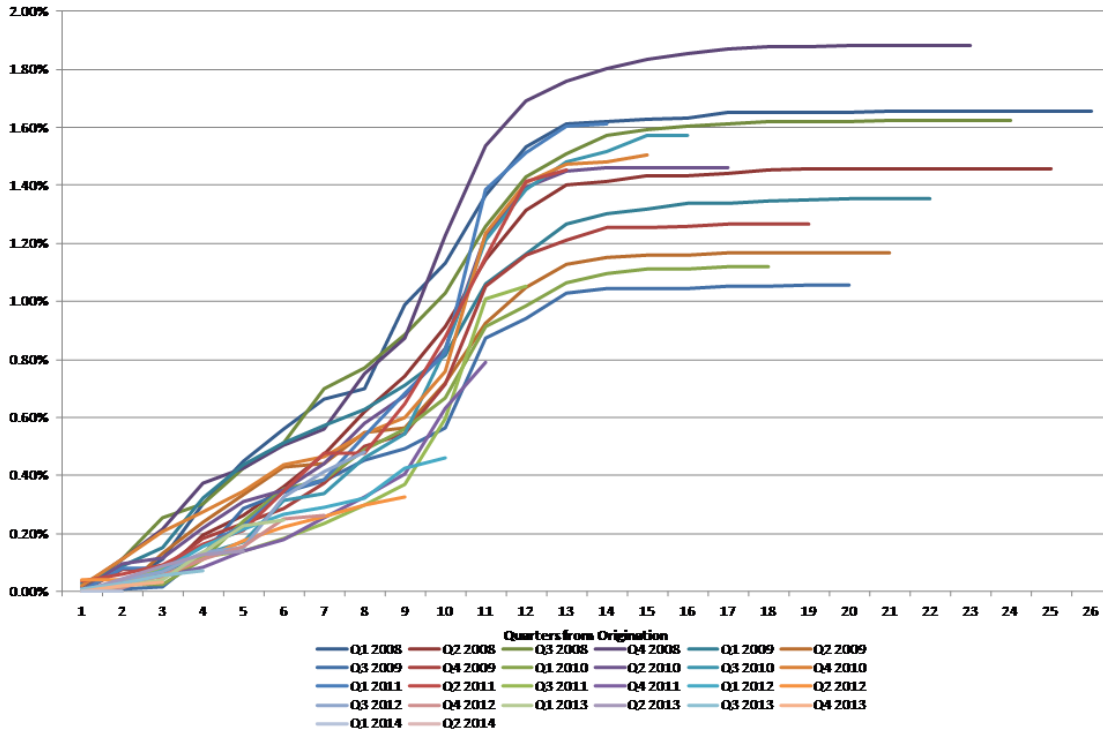
<b>Seasoning</b>	<b>Number of Underlying Agreements</b>	<b>Percentage Distribution by number</b>	<b>Outstanding Principal Balance</b>	<b>Percentage Distribution by balance</b>
		(%)		(%)
0 < X <= 6	39,148	78.00	389,795,107	81.06
6 < X <= 12	9,293	18.51	80,885,505	16.82
12 < X <= 18	212	0.42	1,600,581	0.33
18 < X <= 24	102	0.20	686,718	0.14
24 < X <= 36	1,383	2.76	7,725,105	1.61
36 < X <= 48	54	0.11	182,931	0.04
48 < X <= 60	-	-	-	-
<b>Total</b>	<b>50,192</b>	<b>100.00</b>	<b>480,875,946</b>	<b>100.00</b>

### Distribution by top 20 Customers

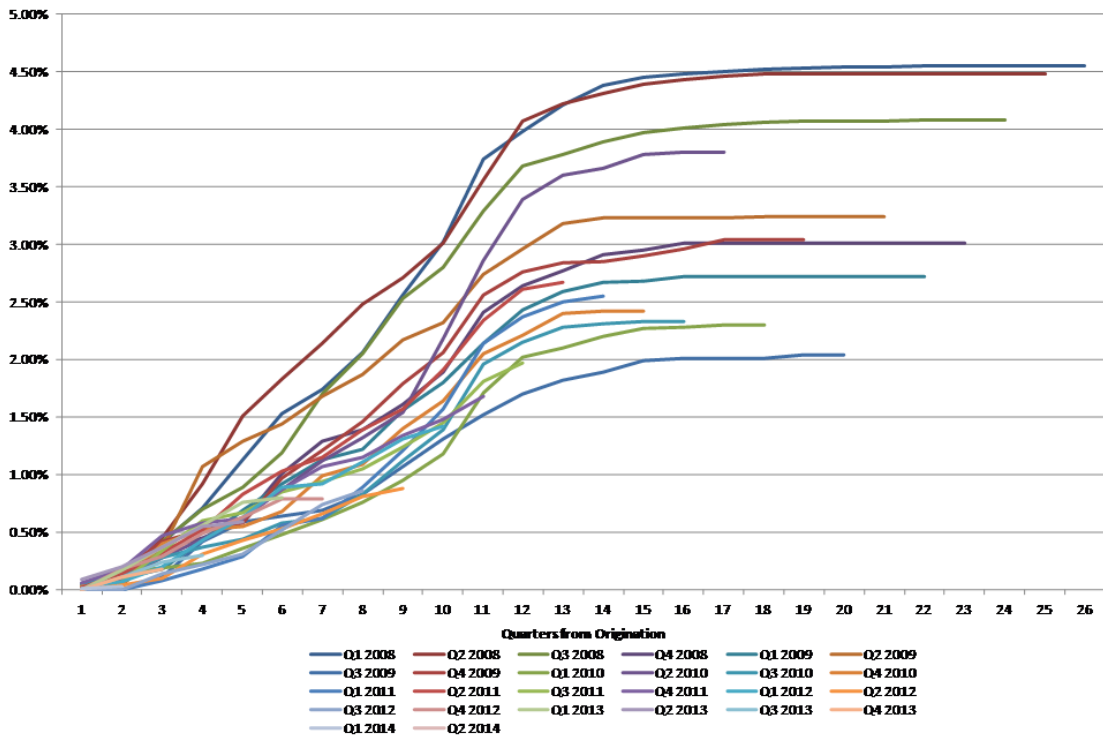
Top 20 Customers	Number of Underlying Agreements	Percentage Distribution by number (%)	Outstanding Principal Balance	Percentage Distribution by balance (%)
1	4	0.01	47,150	0.01
2	1	0.00	28,656	0.01
3	1	0.00	28,590	0.01
4	1	0.00	28,578	0.01
5	1	0.00	28,411	0.01
6	1	0.00	28,359	0.01
7	1	0.00	27,841	0.01
8	1	0.00	27,474	0.01
9	1	0.00	27,038	0.01
10	1	0.00	25,996	0.01
11	1	0.00	25,817	0.01
12	1	0.00	25,539	0.01
13	1	0.00	25,326	0.01
14	1	0.00	25,247	0.01
15	1	0.00	25,129	0.01
16	1	0.00	25,103	0.01
17	1	0.00	25,021	0.01
18	1	0.00	24,876	0.01
19	1	0.00	24,770	0.01
20	1	0.00	24,742	0.01
Other	50,169	99.95	480,326,283	99.89
<b>Total</b>	<b>50,192</b>	<b>100.00</b>	<b>480,875,946</b>	<b>100.00</b>

## Historical Performance Data

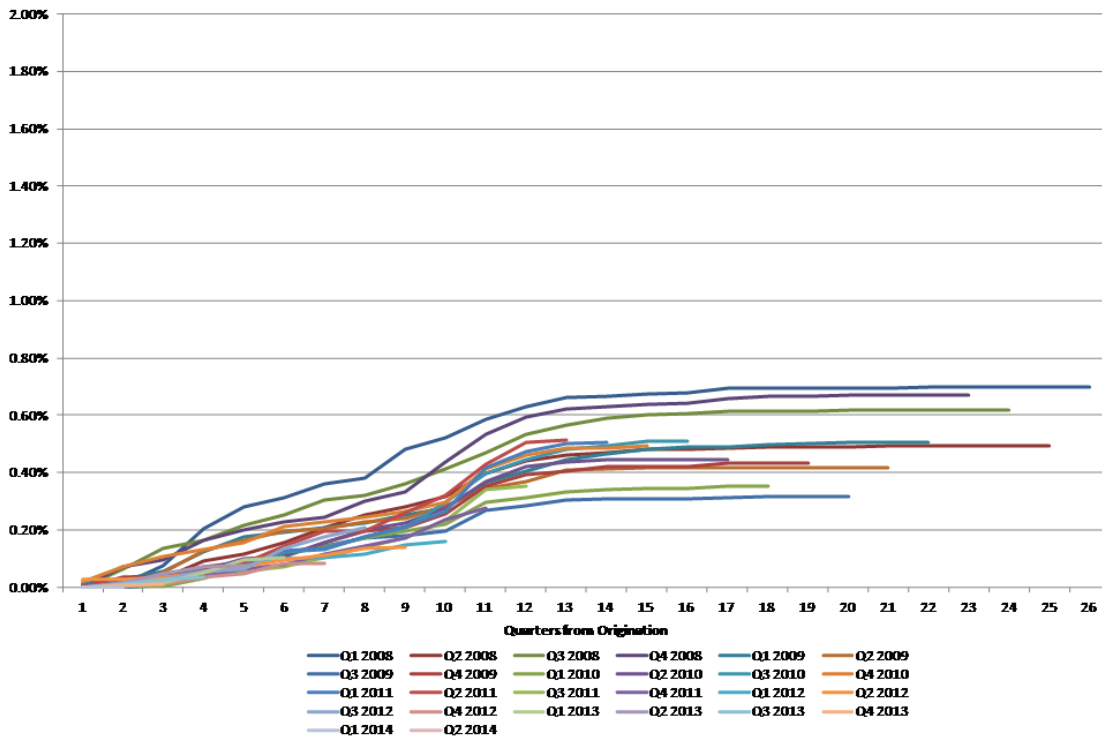
### Gross Loss - New



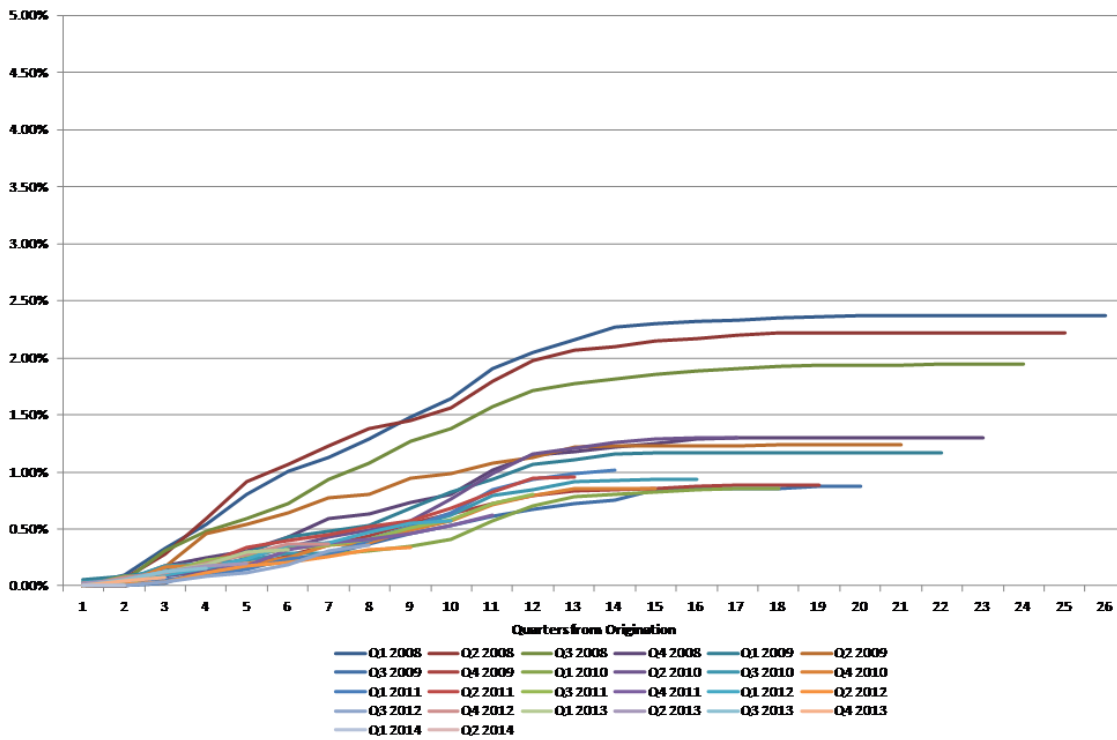
### Gross Loss - Used



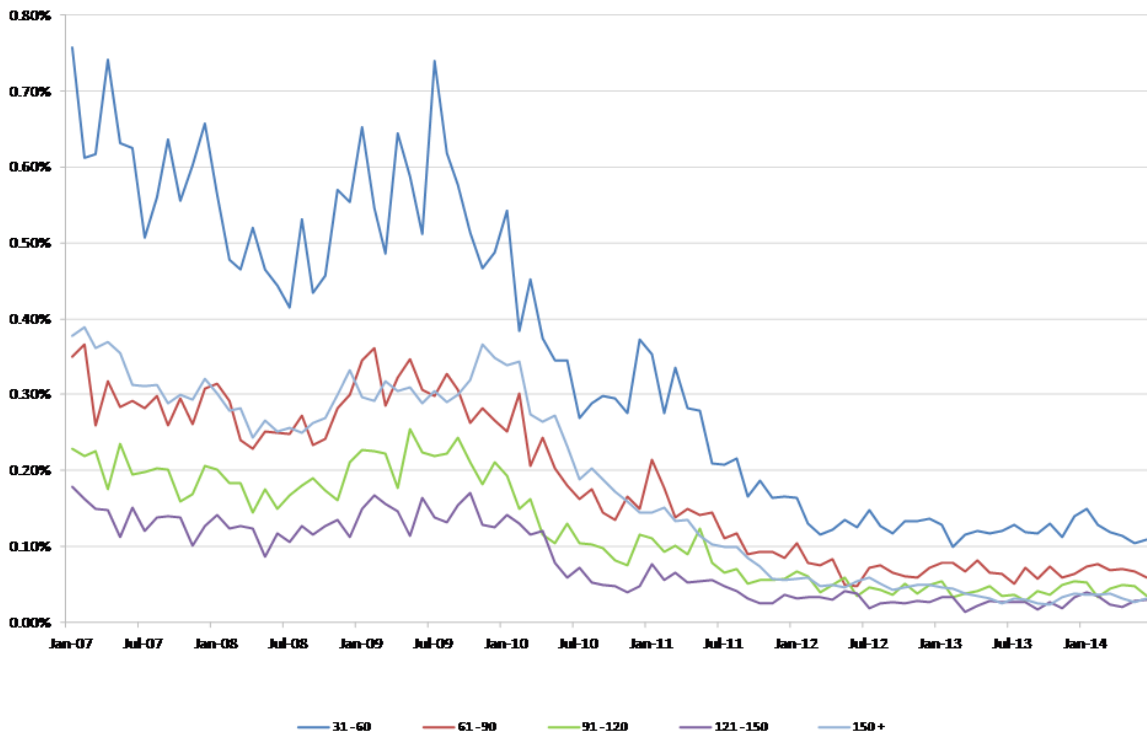
### Cumulative Net Loss - New



### Cumulative Net Loss – Used



## Dynamic Delinquencies - Total Portfolio



## **SERVICING OF COLLECTIONS**

Pursuant to the Servicing Agreement, the Issuer has appointed GMAC UK plc as Servicer for the purposes of servicing the Purchased Receivables. In particular, pursuant to the Servicing Agreement, the Servicer has undertaken to service the Portfolio and to perform its duties under the terms and conditions set out in the Servicing Agreement in accordance with all applicable laws and regulations, the Credit and Collection Procedures and pursuant to specific instructions that, on certain conditions, may be given to it by the Issuer or, as applicable, the Security Trustee from time to time. See "*Overview of the Transaction Documents*" above.

## CASH MANAGEMENT

Pursuant to the Account Bank Agreement, the Cash Management Agreement and the Calculation Agency Agreement, each to be dated on or about the Closing Date, the Account Bank, the Cash Manager and the Calculation Agent will provide the Issuer (i) in the case of the Account Bank, with certain account holding services, (ii) in the case of the Cash Manager, with certain notification, reporting and cash management services in relation to monies from time to time standing to the credit of the Issuer Bank Accounts and (iii) in case of the Calculation Agent, with certain calculation services in respect of amounts to be applied by the Cash Manager in accordance with the Transaction Documents.

### *Daily Cash Flows*

Pursuant to the Servicing Agreement, the Servicer will procure that (i) all Collections in respect of the Purchased Receivables and (ii) all amounts representing a Defaulted Receivables Payment (other than the Initial Defaulted Receivables Payment) in respect of a Defaulted Receivable which has been repurchased by the Seller pursuant to the Receivables Sale and Purchase Agreement, are credited to the Collections Accounts in respect of the Purchased Receivables and are transferred within two Business Days following receipt by the Seller, directly into the Transaction Account.

### *Monthly Cash Flows*

On or before each Calculation Date, the Calculation Agent will make the necessary determinations and calculations under the Transaction Documents and communicate these to the Cash Manager, in particular determining the Available Revenue Receipts and the Available Principal Receipts to be distributed on the immediately following Interest Payment Date.

On each Interest Payment Date, the Cash Manager will apply Available Revenue Receipts and Available Principal Receipts on behalf of the Issuer in accordance with the applicable Priority of Payments set out in the Cash Management Agreement.

### **Directions of the Cash Manager**

The Account Bank has agreed to comply with the directions of the Cash Manager until such time as the Cash Manager receives a copy of a Note Acceleration Notice served by the Note Trustee on the Issuer or has notice of any enforcement action taken by the Security Trustee, to effect payments from the Transaction Account.

### **Ledger Accounts**

Pursuant to the Cash Management Agreement, the Cash Manager shall establish and maintain the Issuer Retained Profit Ledger, the Principal Deficiency Ledger (which comprises the Class A Principal Deficiency Sub-ledger, the Class B Principal Deficiency Sub-ledger and the Subordinated Notes Principal Deficiency Sub-ledger), the Revenue Deficiency Ledger, the Liquidity Reserve Ledger and the Interest Rate Swap Ledger (together the **Ledger Accounts**). On or before each Interest Payment Date, the Cash Manager will:

- (a) record amounts as appropriate on the Revenue Deficiency Ledger on each Interest Payment Date by:
  - (i) crediting the Revenue Deficiency Ledger by an amount equal to the amount transferred under item (a) of the Pre-Acceleration Principal Priority of Payments for such Interest Payment Date; and
  - (ii) debiting the Revenue Deficiency Ledger by an amount equal to the Revenue Deficiency for such Interest Payment Date;

- (b) record amounts as appropriate on the Principal Deficiency Ledger by:
  - (i) crediting the Class A Principal Deficiency Sub-ledger by an amount equal to the amounts transferred under item (i) of the Pre-Acceleration Revenue Priority of Payments on such Interest Payment Date;
  - (ii) crediting the Class B Principal Deficiency Sub-ledger by an amount equal to the amounts transferred under item (j) of the Pre-Acceleration Revenue Priority of Payments on such Interest Payment Date;
  - (iii) crediting the Subordinated Notes Principal Deficiency Sub-ledger by an amount equal to the amounts transferred under item (k) of the Pre-Acceleration Revenue Priority of Payments on such Interest Payment Date; and
  - (iv) debiting the Principal Deficiency Ledger by an amount equal to the aggregate of (x) the Net Loss Amount; and (y) by an amount equal to the amount applied in accordance with item (a) of the Pre-Acceleration Principal Priority of Payment, in the following order:
    - (A) *first*, to the Subordinated Notes Principal Deficiency Sub-ledger until the debit balance thereon is equal to the then Principal Amount Outstanding of the Subordinated Notes; and
    - (B) *second*, to the Class B Principal Deficiency Sub-ledger until the debit balance thereon is equal to the then Principal Amount Outstanding of the Class B Notes;
    - (C) *third*, to the Class A Principal Deficiency Sub-ledger until the debit balance thereon is equal to the then Principal Amount Outstanding of the Class A Notes;
- (c) record amounts as appropriate on the Liquidity Reserve Ledger by:
  - (i) crediting the Liquidity Reserve Ledger by an amount equal to the aggregate of:
    - (A) Liquidity Reserve Proceeds under the Subordinated Loan; and
    - (B) payments made in accordance with item (h) of the Pre-Acceleration Revenue Priority of Payments; and
  - (ii) debiting the Liquidity Reserve Ledger by an amount equal to the aggregate of amounts drawn from the Liquidity Reserve on each Interest Payment Date from the Closing Date to the Final Class B Interest Payment Date as Available Revenue Receipts on each such Interest Payment Date and on the Final Class B Interest Payment Date as Available Revenue Receipts and, as applicable, as Available Principal Receipts; and
- (d) record amounts as appropriate on the Issuer Retained Profit Ledger by:
  - (i) crediting the Issuer Retained Profit Ledger by an amount equal to the amount retained in respect of the Issuer Profit Amount in accordance with item (o) of the Pre-Acceleration Revenue Priority of Payments or item (i) of the Post-Acceleration Priority of Payments, as the case may be; and
  - (ii) debiting the Issuer Retained Profit Ledger by the lower of (i) all amounts applied to pay or discharge the Issuer's liability to corporation tax and (ii) the amount standing to the credit of the Issuer Retained Profit Ledger.



- (e) adjust as appropriate the Interest Rate Swap Ledger by:
  - (i) recording scheduled payments paid by the Issuer (or required to be paid by the Issuer but otherwise netted against other payments owing from the Swap Counterparty under the Swap Agreement) to the Swap Counterparty under the Swap Agreement; and
  - (ii) recording scheduled payments received by the Issuer (or required to be received by the Issuer but otherwise netted against other payments owing to the Swap Counterparty under the Swap Agreement) from the Swap Counterparty under the Swap Agreement.

### **Application of Amounts in respect of Swap Collateral, Excess Swap Collateral, Swap Tax Credits and Replacement Swap Premium**

Amounts received by the Issuer (or the Cash Manager on its behalf) in respect of Excess Swap Collateral, Swap Collateral (except to the extent that following the early termination of the Swap Agreement the value of such Swap Collateral has been applied, pursuant to the provisions of the Swap Agreement, to reduce the amount that would otherwise be payable by the Swap Counterparty to the Issuer on early termination of the swap under the Swap Agreement, as applicable, and, to the extent so applied in reduction of the amount otherwise payable by the Swap Counterparty, such Swap Collateral is not to be applied in acquiring a replacement swap), Swap Tax Credits and Replacement Swap Premium (only to the extent it is applied directly to pay a Swap Termination Payment due and payable by the Issuer to the outgoing Swap Counterparty) shall, to the extent due and payable under the terms of such Swap Agreement, be paid by the Cash Manager on behalf of the Issuer directly to the Swap Counterparty without regard to the relevant Priority of Payments.

### **Priority of Payment**

#### **Pre-Acceleration Priority of Payments**

The Cash Manager will on behalf of the Issuer apply Available Revenue Receipts and Available Principal Receipts standing to the credit of the Transaction Account on each Interest Payment Date in accordance with the Pre-Acceleration Revenue Priority of Payments and the Pre-Acceleration Principal Priority of Payments.

#### **Pre-Acceleration Revenue Priority of Payments**

On each Interest Payment Date falling prior to the service of a Note Acceleration Notice by the Note Trustee on the Issuer, the Cash Manager (on behalf of the Issuer) will apply Available Revenue Receipts 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 a higher priority have been made in full):

- (a) first, *pro rata* and *pari passu* to pay amounts due to:
  - (i) the Security Trustee, together with interest and any amounts in respect of VAT (if any) on those amounts, and to make provision for any amounts due or to become due during the following Interest Period to the Security Trustee under the Deed of Charge; and
  - (ii) the Note Trustee or any Appointee appointed by the Note Trustee, together with interest and any amounts in respect of VAT (if any) on those amounts, and to make provision for any amounts due or to become due during the following Interest Period to the Note Trustee under the Trust Deed;
- (b) second, *pro rata* and *pari passu*, to pay amounts due to the Agent Bank and the Paying Agents together with interest and any amount in respect of VAT (if any) on those amounts, and any costs,

charges, liabilities and expenses then due or to become due during the following Interest Period to the Agent Bank and the Paying Agents under the Agency Agreement;

- (c) third, prior to any enforcement action taken by the Security Trustee in respect of the Security, to pay amounts due to any third party creditors of the Issuer (other than those referred to later in this priority of payments), which amounts have been incurred without breach by the Issuer of the Transaction Documents to which it is a party and for which payment has not been provided for elsewhere and to provide for any of those amounts expected to become due and payable during the following Interest Period by the Issuer and, to the extent amounts credited to the Issuer Retained Profit Ledger are insufficient, to the extent of any insufficiency to pay or discharge any corporation tax liability of the Issuer;
- (d) fourth, *pro rata* and *pari passu*, to pay amounts due to:
  - (i) the Cash Manager, together with any amounts in respect of VAT (if any) on those amounts, and to provide for any amounts due or to become due to the Cash Manager in the immediately succeeding Interest Period, under the Cash Management Agreement;
  - (ii) the Calculation Agent, together with any amounts in respect of VAT (if any) on those amounts, and to provide for any amounts due or to become due to the Calculation Agent in the immediately succeeding Interest Period, under the Calculation Agency Agreement;
  - (iii) the Servicer and, if applicable, the Back-Up Servicer (other than the Subordinated Back-Up Servicer Amount), in each case, together with any amounts in respect of VAT (if any) on those amounts, and to provide for any amounts due or to become due to the Servicer and, if applicable, the Back-Up Servicer, in the immediately succeeding Interest Period, under the Servicing Agreement and the Back-Up Servicing Agreement, as applicable;
  - (iv) the Corporate Services Provider, together with any amounts in respect of VAT (if any) on those amounts, and to provide for any amounts due, or to become due to the Corporate Services Provider in the immediately succeeding Interest Period, under the Corporate Services Agreement;
  - (v) the Account Bank, together with any amounts in respect of VAT (if any) on those amounts, and to provide for any amounts due or to become due to the Account Bank in the immediately succeeding Interest Period, under the Account Bank Agreement;
  - (vi) prior to any enforcement action taken by the Security Trustee in respect of the Security, any auditors of, and other professional advisers to, the Issuer;
  - (vii) pay the Administrator Incentive Recovery Fee (if any);
  - (viii) the Registrar, together with interest and any amount in respect of VAT (if any) on those amounts, and any costs, charges, liabilities and expenses then due or to become due during the following Interest Period to the Registrar under the Agency Agreement;
  - (ix) to any party who is not a party to any Transaction Document to which 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 according to the respective amounts due by the Issuer; and
  - (x) the Listing Agent, together with any amount in respect of VAT (if any) on those amounts;

- (e) fifth, to pay all amounts (if any) due and payable to the Swap Counterparty under the Swap Agreement (including termination payments but excluding any Subordinated Swap Amounts);
- (f) sixth, to pay, *pro rata* and *pari passu*, interest due and payable on the Class A Notes;
- (g) seventh, to pay, *pro rata* and *pari passu*, interest due and payable on the Class B Notes;
- (h) eighth, an amount to be credited to the Liquidity Reserve Ledger so that it equals the Liquidity Reserve Required Amount or on the Final Class B Interest Payment Date an amount not exceeding the Liquidity Reserve Required Amount on the immediately preceding Interest Payment Date to be applied as Available Principal Receipts to the extent required to redeem in full the Class B Notes;
- (i) ninth, an amount sufficient to eliminate any debit on the Class A Principal Deficiency Sub-ledger;
- (j) tenth, an amount sufficient to eliminate any debit on the Class B Principal Deficiency Sub-ledger;
- (k) eleventh, an amount sufficient to eliminate any debit on the Subordinated Notes Principal Deficiency Sub-ledger;
- (l) twelfth, towards payment of all amounts (if any) due and payable to the Back-Up Servicer in respect of the Subordinated Back-Up Servicer Amount;
- (m) thirteenth, to pay, *pro rata* and *pari passu*, interest due and payable on the Subordinated Notes;
- (n) fourteenth, to pay any Subordinated Swap Amounts due and payable to the Swap Counterparty;
- (o) fifteenth, an amount equal to the Issuer Profit Amount to be retained by the Issuer;
- (p) sixteenth, towards payment of interest amounts due and payable to the Subordinated Loan Provider under the Subordinated Loan Agreement;
- (q) seventeenth, to make a payment in respect of any principal due under the Subordinated Loan Agreement;
- (r) eighteenth, to pay any other amounts due and payable by the Issuer to any party under a Transaction Document; and
- (s) nineteenth, the surplus if any, towards payment of any Deferred Purchase Price due to the Seller pursuant to the terms of the Receivables Sale and Purchase Agreement.

On the Final Class B Interest Payment Date an amount not exceeding the Liquidity Reserve Required Amount on the immediately preceding Interest Payment Date shall be applied in accordance with item (h) above as Available Principal Receipts and shall be applied in accordance with the Pre-Acceleration Principal Priority of Payments in such amount as is required to redeem the Class B Notes and thereafter any excess shall continue to be applied in accordance with the Pre-Acceleration Revenue Priority of Payments.

If on or prior to any Interest Payment Date the Calculation Agent has not provided the Cash Manager with sufficient information to make the determinations required to apply Available Revenue Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments, the Cash Manager shall first apply Available Revenue Receipts to pay items (a) to (g) of the Pre-Acceleration Revenue Priority of Payments and thereafter all remaining amounts representing Available Revenue Receipts shall be credited to the Transaction Account for application as Available Revenue Receipts on the next following Interest Payment Date.

## Revenue Deficiency

On or before each Calculation Date, the Calculation Agent will calculate and communicate to the Cash Manager whether Available Revenue Receipts (but ignoring any Available Principal Receipts referred to in item (f) of the definition of Available Revenue Receipts) will be sufficient to pay items (a) to (g) of the Pre-Acceleration Revenue Priority of Payments. If the Cash Manager determines, from information provided to it by the Calculation Agent, that there is a deficiency in the amount of Available Revenue Receipts (but ignoring any Available Principal Receipts referred to in item (f) of the definition of Available Revenue Receipts) available to pay items (a) to (g) of the Pre-Acceleration Revenue Priority of Payments (the amount of the deficit being the **Revenue Deficiency**), then the Issuer shall pay or provide for that Revenue Deficiency by applying amounts which constitute Available Principal Receipts (if any) to cover the deficit (and the Cash Manager shall make a corresponding entry against the Revenue Deficiency Ledger) **provided that** no Available Principal Receipts may be applied in order to cure a Revenue Deficiency in respect of the payment of interest on (i) the Class B Notes if and to the extent the balance of the Principal Deficiency Ledger is greater than or equal to 100 per cent. of the Principal Amount Outstanding of the Subordinated Notes and (ii) the Class A Notes and the Class B Notes if and to the extent the balance of the Principal Deficiency Ledger is greater than or equal to 100 per cent. of the aggregate Principal Amount Outstanding of the Subordinated Notes and the Class B Notes.

Available Principal Receipts will, if applicable, be applied as Available Revenue Receipts subject to and in accordance with the Pre-Acceleration Revenue Priority of Payments.

## Pre-Acceleration Principal Priority of Payments

On each Interest Payment Date prior to the service of a Note Acceleration Notice on the Issuer by the Note Trustee, the Cash Manager on behalf of the Issuer will apply Available Principal Receipts 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 a higher priority have been made in full):

- (a) first, by way of credit to the Revenue Deficiency Ledger, an amount equal to the Revenue Deficiency and such amount to be applied as Available Revenue Receipts;
- (b) then, to pay, *pro rata* and *pari passu*, in accordance with the respective amounts thereof, principal on the Class A Notes;
- (c) then, to pay, *pro rata* and *pari passu*, in accordance with the respective amounts thereof, principal on the Class B Notes;
- (d) then, to pay, *pro rata* and *pari passu*, amounts due and payable in respect of principal (if any) on such Interest Payment Date on Subordinated Notes until the Subordinated Notes have been repaid in full; and
- (e) finally, to apply any remaining amounts as Available Revenue Receipts (**Surplus Available Principal Receipts**).

On the Final Class B Interest Payment Date amounts standing to the credit of the Liquidity Reserve can be applied on such Interest Payment Date as Available Principal Receipts and shall be applied in accordance with the Pre-Acceleration Principal Priority of Payments in such amount as is required to redeem the Class B Notes and thereafter any excess shall continue to be applied in accordance with the Pre-Acceleration Revenue Priority of Payments.

If on or prior to any Interest Payment Date the Calculation Agent has not provided the Cash Manager with sufficient information to make the determinations required to apply Available Principal Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments, the Cash Manager shall first apply

Available Principal Receipts to pay item (a) of the Pre-Acceleration Principal Priority of Payments and thereafter all remaining amounts representing Available Principal Receipts shall be credited to the Transaction Account for application as Available Principal Receipts on the next following Interest Payment Date.

### ***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 Swap Collateral which shall be returned directly to the Swap Counterparty (and for the avoidance of doubt, such payment shall be without regard to the relevant Priority of Payments), (ii) any Replacement Swap Premium (only to the extent it is applied directly to pay a Swap Termination Payment due and payable by the Issuer to the outgoing Swap Counterparty), (iii) any Swap Tax Credits, which shall be applied directly to the Swap Counterparty in accordance with the Cash Management Agreement, and (iv) in respect of the Swap Counterparty, prior to the designation of an early termination date under the Swap Agreement and the resulting application of the Swap Collateral by way of netting or set-off, an amount equal to the value of all Swap Collateral provided by the Swap Counterparty to the Issuer pursuant to the Swap Agreement (and any interest or distributions in respect thereof)) received or recovered following enforcement of the Security as follows (in each case, only to the extent that payments of a higher order of priority have been made in full):

- (a) first, *pro rata* and *pari passu*, to pay amounts due to:
  - (i) the Security Trustee and any receiver (including any administrative receiver) appointed by the Security Trustee, together with interest and any amount in respect of VAT (if any) on those amounts and any other amounts then due or to become due and payable to the Security Trustee and the receiver under the provisions of the Deed of Charge; and
  - (ii) the Note Trustee or any Appointee appointed by the Note Trustee, together with interest and any amount in respect of VAT (if any) on those amounts and any other amounts then due or to become due and payable to the Note Trustee under the provisions of the Trust Deed;
- (b) second, *pro rata* and *pari passu*, to pay amounts due to the Agent Bank and the Paying Agents, together with interest and any amount in respect of VAT (if any) on those amounts and any costs, charges, Liabilities and expenses then due or to become due and payable to them under the provisions of the Agency Agreement;
- (c) third, *pro rata* and *pari passu*, to pay amounts due to:
  - (i) the Cash Manager, together with any amount in respect of VAT (if any) on those amounts under the Cash Management Agreement;
  - (ii) the Calculation Agent, together with any amount in respect of VAT (if any) on those amounts under the Calculation Agency Agreement;
  - (iii) the Servicer and, as applicable, the Back-Up Servicer, in each case, together with any amount in respect of VAT (if any) on those amounts (other than the Subordinated Back-Up Servicer Amount) under the Servicing Agreement;
  - (iv) the Corporate Services Provider, together with any amount in respect of VAT (if any) on those amounts under the Corporate Services Agreement;

- (v) the Account Bank, together with any amount in respect of VAT (if any) on those amounts under the Account Bank Agreement;
  - (vi) to any party who is not a party to any Transaction Document to which 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 according to the respective amounts due by the Issuer;
  - (vii) pay the Administrator Incentive Recovery Fee (if any); and
  - (viii) the Registrar, together with interest and any amount in respect of VAT (if any) on those amounts, and any costs, charges, liabilities and expenses then due or to become due during the following Interest Period to the Registrar under the Agency Agreement;
- (d) fourth, to pay all amounts (if any) due and payable to the Swap Counterparty under the Swap Agreement (including termination payments but excluding any Subordinated Swap Amounts);
  - (e) fifth, to pay, *pro rata* and *pari passu* amounts in respect of interest and principal due and payable on the Class A Notes until the Class A Notes are redeemed in full;
  - (f) sixth, to pay, *pro rata* and *pari passu* amounts in respect of interest and principal due and payable on the Class B Notes until the Class B Notes are redeemed in full;
  - (g) seventh, to pay all amounts (if any) due and payable to the Back-Up Servicer in respect of the Subordinated Back-Up Servicer Amount;
  - (h) eighth, to pay, *pro rata* and *pari passu* amounts in respect of interest and principal due and payable on the Subordinated Notes until the Subordinated Notes are redeemed in full;
  - (i) ninth, to pay any Subordinated Swap Amounts due and payable to the Swap Counterparty
  - (j) tenth, towards payment of all amounts due and payable to the Subordinated Loan Provider under the Subordinated Loan Agreement;
  - (k) eleventh, to pay an amount equal to the Issuer Profit Amount to be retained by the Issuer; and
  - (l) twelfth, the surplus, if any, toward payment of any Deferred Purchase Price due to the Seller pursuant to the terms of the Receivables Sale and Purchase Agreement.

## ESTIMATED WEIGHTED AVERAGE LIFE OF THE NOTES

### Estimated average lives of the Notes

**The maturity and average life of the Notes of each Class cannot be exactly predicted as the actual rate at which Collections and Recoveries will be received under the Portfolio and a number of other relevant factors are unknown. However, calculations as to the expected maturity and average life of the Notes of each Class can be made on the basis of certain assumptions as set out below in this section.**

### Structure of the Transaction

The ability of the Issuer to meet its obligations in respect of the Notes will be dependent upon the receipt by the Issuer of Collections and Recoveries (if possible) by the Servicer in respect of the Purchased Receivables comprised in the Portfolio. The amortisation of the Notes of each Class is therefore closely associated with the principal payments of the Purchased Receivables. An analysis of the average life of the Notes of each Class can therefore be made by analysing the projected cash flows of the Portfolio.

### Weighted average life

The expression "weighted average life" refers to the average amount of time that will elapse from the date of issuance of a Note to the date of distribution to the investor of amounts distributed in net reduction of principal of such Note (assuming no losses). The weighted average lives of the Notes will be influenced by, among other things, the actual rate of redemption of the Purchased Receivables in the Portfolio.

### Structuring Assumptions

The table set forth below was produced using a financial model in which, among other things, it is assumed that prepayments of principal occur in respect of the Purchased Receivables included in the Portfolio each month at the indicated assumed constant per annum rates of prepayment (**CPR**) relative to the then outstanding current principal balances of such Purchased Receivables. CPR does not purport to be either a historical description of the prepayment experience of any pool of Purchased Receivables or a prediction of the expected rate of prepayment of Purchased Receivables, including the Purchased Receivables to be included in the Portfolio. CPR is an annual prepayment rate.

Table 2 below was prepared on the basis of the characteristics of the Receivables to be included in the Portfolio and the following additional assumptions, including:

- (a) no Purchased Receivable is sold by the Issuer;
- (b) no delinquencies, defaults or voluntary terminations arise on any Purchased Receivable;
- (c) the option to redeem the Notes in whole in accordance with Condition 6.2(b) (Optional redemption for taxation or other reasons) is exercised on the first Interest Payment Date that such option is exercisable by the Issuer;
- (d) the first Interest Payment Date is on 18 November 2014 (subject to adjustment in accordance with the Business Day Convention); and
- (e) the Closing Date is 20 October 2014 and the Notes are issued on such date.

The actual characteristics and performance of the Purchased Receivables in the Portfolio are likely to differ from the assumptions used in preparing the tables set forth below, which are hypothetical in nature and are provided only to give a general sense of how the principal cash flows might behave under varying

prepayment scenarios. For example, it is not expected that those Purchased Receivables will prepay at a constant rate until the Final Redemption Date, that all of those Purchased Receivables will prepay at the same rate or that there will be no defaults, voluntary terminations or delinquencies on those Purchased Receivables. Any difference between such assumptions and the actual characteristics and performance of those Purchased Receivables will cause the weighted average life of the Notes to differ (which difference could be material) from the corresponding information in the tables for each indicated percentage of CPR. Subject to foregoing discussions and assumptions, the following tables indicate the weighted average lives of the Notes in years.

**Weighted Average Life of the Notes (in years)**

<b>CPR<sup>1</sup></b>	<b>Class A</b>	<b>Class B</b>
0%	2.08	4.08
5%	1.90	4.00
10%	1.74	3.84
15%	1.60	3.66
20%	1.46	3.50
25%	1.33	3.34

<sup>1</sup> Constant annual rate of prepayment



## THE ISSUER

### Introduction

The Issuer was incorporated in England and Wales under the Companies Act 2006 on 24 July 2014 as a public company with limited liability under the name of E-CARAT 4 plc with company number 9146372. The registered office of the Issuer is c/o 35 Great St. Helen's, London EC3A 6AP, telephone 020 7398 6300. The issued share capital of the Issuer is 50,000 ordinary shares of £1 each of which one share is fully paid and 49,999 shares are quarter-paid and all shares are held by Holdings. The entire issued share capital of Holdings is held on trust by SFM Corporate Services Limited under the terms of a share trust deed dated 5 August 2014 under a discretionary trust for discretionary purposes. The Issuer has no subsidiaries.

### Principal Activities

The Issuer is permitted, pursuant to the terms of its Articles of Association, *inter alia*, to issue the Notes 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 of the other documents and matters referred to or contemplated in this document 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.

The Issuer will covenant to observe certain restrictions on its activities which are set out in Condition 3 (Covenants).

### Directors and Company Secretary

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

<b>Name</b>	<b>Business Address</b>	<b>Principal Activities</b>
SFM Directors Limited	35 Great St. Helen's, London EC3A 6AP	Director of SPVs
SFM Directors (No. 2) Limited	35 Great St. Helen's, London EC3A 6AP	Director of SPVs
Claudia Wallace	35 Great St. Helen's, London EC3A 6AP	Company Director

The company secretary of the Issuer is SFM Corporate Services Limited.

As at the date hereof, the Issuer has no employees, non-executive directors or premises.

The Directors of SFM Directors Limited and SFM Directors (No.2) Limited and their business addresses and principal activities are as follows:

<b>Name</b>	<b>Business Address</b>	<b>Principal Activities</b>
Jonathan Eden Keighley	35 Great St. Helen's, London EC3A 6AP	Director
Robert Berry	35 Great St. Helen's, London EC3A 6AP	Director

<b>Name</b>	<b>Business Address</b>	<b>Principal Activities</b>
J-P Nowacki	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
Vinoy Nursiah	35 Great St. Helen's, London EC3A 6AP	Director
Debra Parsall	35 Great St. Helen's, London EC3A 6AP	Director
Susan Abrahams	35 Great St. Helen's, London EC3A 6AP	Director

### **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
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## HOLDINGS

### Introduction

Holdings was incorporated in England and Wales under the Companies Act 2006 on 24 July 2014 as a private company with limited liability under the name E-CARAT 4 Holdings Limited with company number 9146364. The registered office of Holdings is at c/o 35 Great St. Helen's, London EC3A 6AP, telephone 020 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 by SFM Corporate Services Limited under the terms of a declaration of trust dated 5 August 2014 on a discretionary trust for discretionary purposes.

### 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 document and any matters which are incidental or ancillary to the foregoing.

### Directors and Company Secretary of Holdings

The directors of Holdings and their respective business addresses and other principal activities are:

<b>Name</b>	<b>Business Address</b>	<b>Principal Activities</b>
SFM Directors Limited	35 Great St. Helen's, London EC3A 6AP	Director of SPVs
SFM Directors (No. 2) Limited	35 Great St. Helen's, London EC3A 6AP	Director of SPVs
Claudia Wallace	35 Great St. Helen's, London EC3A 6AP	Company Director

The company secretary of Holdings is SFM Corporate Services Limited.

As at the date hereof, Holdings has no employees, non-executive directors or premises.

The directors of SFM Directors Limited and SFM Directors (No.2) Limited and their business addresses and principal activities are:

<b>Name</b>	<b>Business Address</b>	<b>Principal Activities</b>
Jonathan Eden Keighley	35 Great St. Helen's, London EC3A 6AP	Director
Robert Berry	35 Great St. Helen's, London EC3A 6AP	Director
J-P Nowacki	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
Vinoy Nursiah	35 Great St. Helen's, London EC3A 6AP	Director
Debra Parsall	35 Great St. Helen's, London EC3A 6AP	Director
Susan Abrahams	35 Great St. Helen's, London EC3A 6AP	Director

## THE SELLER, THE SERVICER AND THE RECEIVABLES

### 1. Corporate Information and Business Purpose

GMAC UK PLC (**GMAC UK**) is registered in England and Wales at Companies House under number 275607. Its registered office is at Heol-Y-Gamlas, Parc Nantgarw, Treforest, South Glamorgan, CF15 7QU. GMAC UK holds interim permissions for activities corresponding to regulated activities of the kind specified by article 39F (debt-collecting) and article 60B (regulated credit agreements) of the FSMA (Regulated Activities) Order 2001 (as amended) and is subject to credit regulation by the FCA (or prior to 1 April 2014, the OFT). It is authorised by the FCA to carry on insurance mediation activities. GMAC UK is an indirect wholly owned subsidiary of GMF, a corporation formed under the laws of the State of Texas, USA. GMF is a wholly owned subsidiary of General Motors Holdings LLC, a limited liability corporation incorporated in Delaware, which in turn is a wholly owned subsidiary of General Motors Company (**GM**).

GMAC UK began operations in the United Kingdom in 1920 as a subsidiary of General Motors Acceptance Corporation, then a wholly owned subsidiary of General Motors Corporation the predecessor of GM. In 2006, the capital and organisational structure of General Motors Acceptance Corporation began to undergo significant changes. GM reduced its ownership interest to less than 10% of the voting and total equity of General Motors Acceptance Corporation. In May 2010, the company, then known as GMAC LLC changed its name to Ally Financial Inc. (**Ally**), a corporation formed under the laws of the State of Delaware, USA. In November 2012, GMF, the wholly owned captive finance subsidiary of GM entered into a definitive agreement with Ally to acquire 100% of the outstanding equity interests in the top level holding companies (including GMAC Holdings UK Limited, parent of GMAC UK) of Ally's automotive finance and financial services operations in Europe and Latin America and a separate agreement to acquire Ally's non-controlling equity interests in GMAC-SAIC, which conducts automotive finance and financial services in China. On April 1, 2013, GMF completed the acquisition of substantially all of Ally's European and Latin American automotive financial operations, including GMAC UK, except for France, Portugal and Brazil. On June 1, 2013, GMF completed the acquisition of Ally's automotive finance operations in France and Portugal. On October 1, 2013 GMF completed the acquisition of Ally's automotive finance operations in Brazil. GMF's acquisition of Ally's equity interest in GMAC-SAIC is subject to certain regulatory and other approvals, and is expected to close in 2014, or as soon as practicable thereafter.

Today, GMF provides through itself and subsidiaries, including GMAC UK, a wide variety of automotive financial services to and through franchised GM dealers in numerous countries throughout the world. GMF also provides financial services through and to dealers not affiliated with GM, and to and through other dealers in which franchised GM dealers have an interest, and in each case to the customers of those dealers.

GMAC UK's core business is wholesale and retail automotive financing in the United Kingdom. It provides wholesale financing to automotive dealers to support the distribution of new vehicles, principally manufactured by General Motors subsidiaries, for resale. New Vauxhall and Chevrolet vehicles are the principal brand supported by GMAC UK. It also finances used cars of most brands. GMAC UK directly originates retail agreements and leasing agreements with retail customers introduced through dealers.

### 2. Securitisation Experience

GMF and its affiliates have been securitising assets actively in the USA since 1994, and GMAC UK has been engaged in securitising assets since 2004, in both cases as one means of financing ongoing

operations. GMAC UK has been securitising receivables generated from retail vehicle conditional sale and hire purchase contracts and conditional sale facilities to Dealers secured by the Dealer vehicle inventories. In addition, GMAC UK's affiliates in Europe (collectively, **GMAC Europe**), previously owned by Ally and now owned by GM or GMF (as the case may be) have securitised retail loan receivables, retail lease receivables and retailer wholesale receivables in Austria, Belgium, Germany, Spain, Sweden, Italy, France, Switzerland and the Netherlands. The majority of GMAC Europe's securitisation transactions in Europe to date, including those of GMAC UK, have been executed in private transactions. One of GMAC Europe's most recent public securitisation transaction was the securitisation of retail auto loan receivables in connection with an issue of notes by E-Carat S.A. acting for and on behalf of its Compartment 7 in August 2014. GMF and its affiliates securitise assets because the securitisation market can potentially provide the securitising company with a source of lower cost of funding, diversified funding among different markets and investors, and can provide additional liquidity.

When GMAC UK or an affiliate securitises assets, it generally retains an interest in the sold assets. These interests may take the form of asset-backed securities, including senior and subordinated interests in the form of investment grade, non-investment grade, or unrated securities or other forms of subordination.

None of GMAC UK, GMF, GM or any of their affiliates, will be obligated to make or otherwise guarantee any principal, interest or other payment on the Notes.

### **3. GMAC UK's Automotive Retail Lending Business**

GMAC UK's head office in the United Kingdom is in Cardiff, which contains core functions including operations, risk management, financial control, treasury, compliance and regulatory affairs and human resources.

The GMAC UK office in Cardiff is responsible for all GMAC UK operations, including the retailer service centre, salvage handling team, wholesale service centre, late stage collections and part of its customer service functions. In addition, various GMAC global functions are based on-site in Cardiff. This includes the UK and Swedish finance and HR departments, UK payroll and credit risk. Furthermore, part of global IT, compliance and treasury operations are based in Cardiff. The UK Sales and Marketing function in the United Kingdom is based in Luton. GMAC UK has outsourced the customer service and early stage collections activity to Capita Customer Management Limited (**Capita**, previously Club 24 Limited trading as Ventura), a subsidiary of Capita plc that was created from the merger of two of the UK's largest customer management outsourcers. Capita plc is a process outsourcing and professional services company. More information can be found via their website [www.capita.co.uk](http://www.capita.co.uk) (the website and the contents thereof do not form part of this Prospectus). GMAC UK retains full control of all outsourced activities and notwithstanding any outsourcing arrangements, GMAC UK as Servicer remains primarily liable in respect of the performance of the services and of all its obligations as Servicer under the Servicing Agreement.

GMAC UK will act as Servicer of the Receivables sold to the Issuer in return for a fee and other amounts payable in accordance with the Servicing Agreement as described in more detail under "*Overview of the Transaction Documents – Servicing Agreement*". GMAC UK will be responsible for paying the initial establishment costs of the Issuer, legal fees of certain Transaction Parties, Rating Agency fees for rating the Notes and other transaction costs.

### **4. GMAC Retail Product Description**

GMAC UK offers a range of retail products that include consumer and commercial finance for both new and used vehicles. GMAC UK relies almost exclusively on contracts it has established with

Dealers. The Dealers agree to introduce customers wishing to finance vehicles supplied by the Dealer to GMAC UK. GMAC UK buys the vehicle from the Dealer, the Dealer then enters into an Underlying Agreement with the customer and GMAC UK pays a commission to the Dealer for the introduction. Currently GMAC UK has such relationships with more than 90% of the Vauxhall Motors UK (**Vauxhall**) dealer network. GMAC UK also provides financing to retail customers of vehicles manufactured by Chevrolet Motors UK (**Chevrolet**) and other manufacturers in the UK. Retail customers are obligated to obtain comprehensive vehicle damage insurance.

GMAC UK offers Guaranteed Asset Protection insurance (**GAP**) to customers purchasing new or used vehicles either with or without the assistance of retail financing and this product is again offered to customers through GMAC UK's relationships with Dealers. The GAP product provides additional protection to the customer in the event that the car is the subject of a total loss insurance claim. This could either be for theft or physical damage. In the event of a claim, the customer's comprehensive car insurance policy will normally pay an amount equal to the current market value of the car at the time of loss. The GAP policy would then cover the difference between this and the initial amount that the customer paid for the car or the cost of a replacement car depending on which of the two levels of coverage that is chosen when setting up the policy. GMAC UK also offers a cosmetic warranty policy and, if selected by the customer, an upgraded cosmetic warranty with alloy wheel repair insurance. The policy is designed to maintain the value of the vehicle through maintaining the cosmetic appearance of the vehicle and therefore protects the customer's and GMAC UK's interest. As at the date of this Prospectus GMAC UK no longer offers payment protection insurance on any of its retail financing contracts. No contracts with payment protection insurance are part of the Purchased Receivables.

GMAC UK works closely with its manufacturing partners to ensure that it develops the correct product structures to mirror the needs of retail customers. GMAC UK will work closely with the manufacturer to develop finance driven marketing campaigns to help the manufacturer sell more vehicles. These campaigns typically provide low rate financing offers and/or other finance incentives such as a finance deposit allowance. In these campaigns the manufacturing partner will typically pay GMAC UK an amount in respect of the financing costs of such products.

## **5. The Underlying Agreement**

The Purchased Receivables are Receivables originated by the Seller under auto finance contracts with the Customers. The Underlying Agreements have been entered into by the Seller with the Customers following an introduction from a Dealer retailer acting as a credit broker and credit intermediary. The Vehicles are mainly new or used Vauxhall, Chevrolet, Ssang Yong or MG vehicles. Vehicles manufactured by Chevrolet comprise approximately 1 per cent. of the Provisional Portfolio.

On the Closing Date, the Seller will sell and assign absolutely to the Issuer, without recourse, all of its rights, title, interest and benefit in and to the Purchased Receivables together with the related Ancillary Rights and the Issuer agrees to purchase the rights, title, interest and benefit in and to the Purchased Receivables in accordance with the Receivables Sale and Purchase Agreement described in "*Overview of the Transaction Documents — Receivables Sale and Purchase Agreement*". The Seller will make representations to the Issuer in respect of the Purchased Receivables. These representations are described further in "*Overview of the Transaction Documents — 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 applied on and after the Cut-off Date; and

- Ancillary Rights in relation to the Purchased Receivables.

The Vehicles will not be transferred by GMAC UK to the Issuer. Instead any proceeds derived from (including by way of sale or otherwise) any Vehicle returned to or recovered by or on behalf of GMAC UK will be paid to the Issuer. Also any claims against the manufacturers will not be sold to the Issuer and any fees and expenses payable by Customers will be paid to GMAC UK.

## **6. Retail Auto Receivables**

### *General*

The Receivables arise under fixed interest rate agreements. The Vehicle is sold to the Customer on deferred payment terms. Legal title in the Vehicle is retained by the Seller until all the instalments have been made.

All of the Underlying Agreements provide for level monthly payments of instalments that amortise the amount financed over the term (subject to any provision in the Underlying Agreement for changing payment to reflect cancellation or termination of insurance).

### *Payments of Interest*

The Underlying Agreements amortise the amount financed over a series of instalment payments. Each instalment payment generally consists of an interest portion and a principal portion except for some of the Underlying Agreements that have zero interest where instalments are exclusively paid on the principal amount outstanding.

If the Customer pays an instalment payment after its scheduled due date, GMAC UK may charge the Customer late payment interest on the outstanding amount of the instalment (at the interest rate of the Underlying Agreement, except at 5% above Finance House Base Rate from time to time in the case of certain Underlying Agreements not regulated by the CCA).

The Customer may early settle the Underlying Agreement in whole or in part, in accordance with the formula for full and partial early settlements contained under the Consumer Credit Act.

### *Amortisation Characteristics*

Generally, the Customer pays monthly instalments pursuant to the instalment plan set out in the Underlying Agreement. On payment of the last instalment, any outstanding amount under the Underlying Agreement will be fully amortised. The instalment plan sets out the amount of each instalment as well as the total number of instalments. The first instalment becomes payable on the date specified in the instalment plan. Any of the subsequent monthly instalments become payable in the relevant month on the same calendar day as the first instalment.

## **7. Origination**

All of the Underlying Agreements are originated through GMAC UK's network of Dealers, which has been the method of origination of such agreements in the UK for many years. GMAC UK enters into formal written agreements with Dealers before it permits them to offer their products. A dealer declaration completed by the Dealer for every regulated agreement imposes obligations regarding the requirement to give an adequate explanation of the agreement to the Customer, the form and content of contract documents, verification of the signing of Underlying Agreements by Customers.

Dealers are responsible for the preparation and submission of a Customer's application to the underwriters in the retailer lending centre in Cardiff. The Dealer takes Customer application data,



such as name, address, bank and employment details and other information described below (in the case of private customers), and submits this data to GMAC UK via a computer link system, Genesis (**Genesis**), an online portal that provides vehicle retailers access to retail credit applications, quotes and finance document printing. All applications must be submitted for approval to the retail lending centre, and no vehicle Dealer may underwrite or approve any application. GMAC UK then identifies the applicant via a credit bureau check, at which point an automated credit score is given to the application. This credit score, along with the consideration of a number of other in-house credit policy rules, is used to make the final decision in respect of the application, as described in paragraph 8 (*Underwriting*) below.

If an application has been submitted via Genesis, upon credit approval Genesis takes the information that was entered at the time of application and generates the required finance documents for execution on the premises of the retailer. As the Underlying Agreements are electronically generated, no manual review or intervention is necessary with respect to the documents prior to them being presented to the applicant for execution.

## **8. Underwriting**

For private customers, all applications delivered to the underwriters through Genesis are first processed through Equifax, the online credit bureau provider used in the UK, and the Mechanised Application Processing System (**MAPS**), a consumer credit scoring system. The application is delivered first to Equifax, which provides the credit bureau information directly, and is then delivered by direct data link to MAPS for automatic decisions and referrals.

For commercial customers, applications are underwritten using a variety of information including financial statements using Equifax reports and credit bureau information for the directors.

Upon receiving an application, the underwriter must follow clearly defined underwriting criteria. It is the responsibility of the underwriter to verify the applicant's details and ensure that the details are consistent and that they meet the required terms as outlined in the request. The underwriter also conducts a manual credit search, if required. The only exception to these policies is if the application is subject to an automatic decision, as described below. These policies and procedures ensure that a consistent approach is followed in evaluating each credit application.

The GMAC UK scorecard(s) will allocate specific "scores" based on the credit applicant's details and the results from the credit bureau search. MAPS uses algorithm sets that take into account historical credit and portfolio parameters together with applicant specific factors such as financial history and capacity, residential and employment stability and credit status. If an application has been received on a previous occasion, this fact is highlighted by MAPS. MAPS assigns a score to each criterion, which is then weighted accordingly. Every application is finally assigned "odds". The "odds" predict the statistical likelihood that a severe delinquency or loss will occur with respect to the application at some point during its term, but does not predict the performance of any contract with certainty. Scorecards are updated periodically to take into account changes in social, economic and legislative conditions as well as changes in portfolio performance or the "through the door" population. This review of the credit scoring criteria allows GMAC UK to accurately assess an application in a changing environment. The most recent revision of the scorecard in respect of new and used vehicles was implemented in November 2010 and further scorecard recalibration was implemented in February 2012. The current scorecard was developed based on historical performance data of GMAC UK contracts and rejected applicants.

The underwriter assesses each application on its own terms using MAPS. The level of the underwriter's investigation is determined by the amount of risk associated with the application. Previous GMAC UK retail auto finance agreements with the applicant are displayed in MAPS to

ensure consistency in decision-making and detailed information on current accounts is verified manually with a finance contract data management system, the SRS System (**SRS System**), if necessary.

Each underwriter may approve an application up to the level of an individually agreed mandate that is established based upon the underwriter's time in service and level of experience. The general level of mandates is recommended by the underwriting supervisor and is then approved by the retail manager. The retail manager sets the mandate for each underwriter, which is reviewed on a regular basis. Where the amount of finance or when the proposal falls outside of the underwriting policy, the application must be referred as an exception to a senior underwriter level or above. If any special acceptance criterion has been imposed on an application by GMAC UK, the underwriter is required to enter these into MAPS. Underwriting staff are trained in these policies and receive daily and weekly reviews of their work to ensure adherence to standards and underwriting criteria.

A proportion of all applications received in the retail lending centre are automatically approved or rejected (an automatic decision) if they meet the criteria set out in MAPS. For an application to have an auto decision the application must meet a number of conditions with respect to, amongst other things, age of vehicle, minimum score, amount of the advance requested against the vehicle, information on the credit bureau. All of the preset criteria must be met for an application to be decided automatically. If any of the criteria are not met, the application will be referred to the underwriter for standard processing and evaluation. All applications except those that are assigned an auto decision, are reviewed by an underwriter to maximise the opportunities to approve the application. The rules for the automated criteria are determined by the GMAC UK credit risk manager and are reviewed periodically to ensure the auto-facility reflects current purchase policy.

## **9. Fraud Detection**

This is an important part of the credit and application approval process and various methods are used to ensure applicant identity is validated. Details regarding individuals or addresses known to be associated with fraud are entered into MAPS. This information can come from previous experience, competitors and public information. If data within an application meets any of these criteria then the application is highlighted by the system and the underwriter will refer the application to the GMAC UK Fraud Team. The Fraud Team then undertakes the appropriate investigation before reporting to the Underwriting Team. Once the Underlying Agreement and supporting documentation is received, they are validated by the Discounting Team prior to funding. Where concerns or inaccuracies are identified related to potential fraud issues, they are referred to the Fraud Team to review and investigate. If other inaccuracies are identified, for example, missing paperwork, the contract is placed into a held status. In either case payout of the contract is deferred until clearance is obtained.

## **10. Material Changes to Origination and Underwriting Policies and Procedures**

The Risk Management department regularly reviews and analyses its portfolio of receivables to evaluate the effectiveness of GMAC UK underwriting guidelines, scoring models and purchasing criteria. This trend analysis may trigger changes to policies in order to change the quality of its portfolio.

## **11. Servicing and Collections**

All duties carried out by the Servicer will be undertaken using the standard of care that the Servicer would exercise in its own affairs taking into account the degree and skill that it exercises for all comparable assets. GMAC UK will act as servicer of the Purchased Receivables for this securitisation transaction. GMAC UK has outsourced certain back office functions to Capita. Capita undertakes customer service, early stage collections and service support functions that are primarily

related to the administration of payments as well as account maintenance including renewals, refunds, cancellations and excess funds. All these activities are handled on-site within the Cardiff operation. The servicing system does not indicate whether a Receivable has been sold in a securitisation transaction or otherwise. GMAC UK's servicing and collections systems maintain records for all Receivables, applications of payments, relevant information on Customers and account status.

The customer service team is responsible for the administration of retail and lease accounts. This includes queries relating to the Customers' account and liaising with the retailer as appropriate. Initial collection activity (generally before 60 days past due) is performed by Capita, before being returned to GMAC UK for escalation. Collection activity for delinquent accounts (which are generally accounts that are 60 or more days past due), for lease and instalment credit terminations, disposal of repossessed units and salvage recovery is performed by GMAC UK employees.

Approximately 99% of GMAC UK's retail customers make their payments through direct debit payment systems, the remainder pay via standing order, cash, cheque or bank transfer. In the case of direct debit and standing order payments, payment files are received on a daily basis from the independent third party banks that process these transactions. This file is uploaded to SRS System from which every transaction is reported directly to the finance and control and service support departments via a daily SRS System report detailing all payments received. In the event a payment is rejected, it will be identified and action will be taken by the service support team. After the system updates all payments, details of the total payment amount for each finance account are printed on a daily balancing report and the totals are reconciled against the ledger balances in GMAC UK's core accounting systems, SAP (**SAP**). If there are any discrepancies, the finance and control department identifies and rectifies this daily.

Once an account becomes past due, collection activity is commenced by Capita. A daily file is produced identifying all accounts that are 1-20 days past due which are uploaded into the collections dialler. This file is run a maximum of three times per day attempting to establish contact with the delinquent customer. Each account will remain in the dialler file for a maximum of 20 days unless the account is brought up to date or contact made with the customer, resulting in a payment arrangement. During this 20-day cycle, automated SMS messaging and arrears letters are also sent. Depending on the outcome of this initial collection activity, the account may be returned to GMAC UK to pursue or formal legal notifications may be issued to the customer. Where applicable, GMAC UK will also use external agents to assist with collection field calls.

GMAC UK has also contracted the services of a field collection agency, Bluestone Credit Management Limited ([www.bluestonecm.co.uk](http://www.bluestonecm.co.uk)) (the website and the contents thereof do not form part of this Prospectus). The customer service professional assigned to a delinquent finance account will generally issue a field assignment when the account reaches 45-59 days past due. Every assignment contains customer and vehicle details and specific information about the amount in arrears. The field collection agency is paid a commission on each contract successfully collected or vehicle repossessed.

## **12. Repossessions and Write-offs**

Repossession of a vehicle may occur following a termination of the Underlying Agreement. Repossession activity is ultimately managed and controlled by GMAC UK to ensure all legal requirements have been met.

Repossessed vehicles are collected on behalf of GMAC UK and delivered to the local selling site of its remarketing partner, Manheim Remarketing (**Manheim**), part of The Manheim Group ([www.manheim.co.uk](http://www.manheim.co.uk)) (the website and the contents thereof do not form part of this Prospectus). A

vehicle inspection is carried out and a report produced detailing the condition of the vehicle and any issues affecting its resale value. Manheim then markets these vehicles via their weekly public auctions or their internet-based service, "Direct". The vehicles are offered throughout the UK.

As part of GMAC UK collection activity and prior to any asset being recovered, the original contract file is reviewed to confirm that the terms and details of the application were true and correct at the time of underwriting. Where deviations or fraudulent statements are discovered, GMAC UK may seek compensation for any after-sale shortfall from the original selling retailer.

Delinquent accounts are written off after standard collection efforts are exhausted and all collections, including sale proceeds, auction proceeds and insurance claims have been applied to the account. In the majority of cases, the amount written off equals the balance due after the sale of the repossessed vehicle. If a vehicle has been completely written off due to an accident, the balance remaining (whether from an insured or uninsured loss) is written off when the customer is unable to pay. This is part of a formal process and any deviation from the standard process needs approval of the GMAC UK retail risk manager.

Following the process outlined above, the principal amount, accrued interest and collection fees of accounts are written off. An actual write off is made after all amounts, including the sale proceeds of the repossessed vehicle and any rebates, are applied to an account.

### **13. Information Regarding the 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 the information set out in this section of this Prospectus headed "*The Seller, the Servicer and the Receivables*" and the section of this Prospectus headed "*Summary of the Key Transaction Documents – Servicing Agreement*";
- (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 this section of this Prospectus headed "*The Seller, the Servicer and the Receivables*" and the section of this Prospectus headed "*Overview of the Transaction Documents – Servicing Agreement*";
- (c) adequate diversification of credit portfolios given the Seller's target market and overall credit strategy; and
- (d) policies and procedures in relation to risk mitigation techniques, as to which please see further the section of this Prospectus headed "*Overview of the Transaction Documents – Servicing Agreement*" and this section of this Prospectus headed "*The Seller, the Servicer and the Receivables*".

## THE SWAP COUNTERPARTY

Lloyds Bank plc (**Lloyds Bank**), formerly Lloyds TSB Bank plc, was incorporated under the laws of England and Wales on 20 April 1865 (registration number 2065). Lloyds Bank's registered office is at 25 Gresham Street, London EC2V 7HN, United Kingdom. Lloyds Bank is authorised by the PRA and regulated by the FCA and the PRA. Lloyds Bank is a wholly owned subsidiary of Lloyds Banking Group plc (together with its subsidiary undertakings from time to time, **Lloyds Banking Group**).

Lloyds Banking Group is a leading UK based financial services group providing a wide range of banking and financial services, primarily in the UK, to individual and business customers. The businesses of Lloyds Banking Group are in or owned by Lloyds Bank. Lloyds Banking Group owns Lloyds Bank directly which in turn owns HBOS plc directly.

Additional information, including copies of the most recent publicly available financial results of Lloyds Bank and Lloyds Banking Group, is available from Investor Relations, Lloyds Banking Group, 25 Gresham Street, London EC2V 7HN or from the following internet website address: <http://www.lloydsbankinggroup.com>. The information on this website does not form part of this Prospectus.

## **CREDIT STRUCTURE, LIQUIDITY AND HEDGING**

### **Credit Enhancement**

#### **Subordination**

Credit enhancement for the Class A Notes will be provided by the subordination of payments due in respect of the Class B Notes and the Subordinated Notes which rank lower than the Class A Notes in the applicable Priority of Payments.

Credit enhancement for the Class B Notes will be provided by the subordination of payments due in respect of the Subordinated Notes which rank lower than the Class B Notes in the applicable Priority of Payments.

The obligations of the Issuer to pay interest and to repay principal on the Notes will be subject to the applicable Priority of Payments and such amounts will only be payable to the extent that the Issuer has sufficient Available Revenue Receipts and Available Principal Receipts after making payment of all amounts required to be paid pursuant to the relevant provisions of the Cash Management Agreement or the Deed of Charge in priority to such payments. It follows that the rights of the holders of the Subordinated Notes to receive payments of principal are subordinated to the rights of the Noteholders of the Class A Notes and the Class B Notes and the rights of the Noteholders of the Class B Notes to receive payments of principal are subordinated to the rights of the Noteholders of the Class A Notes which rank higher in the applicable Priority of Payments.

On an enforcement of the Security, Noteholders of the Class A Notes will have priority over the Noteholders of the Class B Notes and the Subordinated Notes and the Class B Notes will have priority over the Noteholders of the Subordinated Notes that rank below them in respect of the Charged Property and the proceeds of enforcement.

#### **Subordinated Loan and Start-up Costs Proceeds**

Additional credit enhancement for the Class A Notes and the Class B Notes will be provided by the Liquidity Reserve Proceeds advanced under the Subordinated Loan. On the Closing Date, the Liquidity Reserve Proceeds will be drawn down by the Issuer. The Issuer will use this amount to establish the Liquidity Reserve in the Transaction Account, the purpose of which is to provide credit and liquidity support for the Class A Notes and the Class B Notes only so long as the Class A Notes and the Class B Notes are outstanding.

The Issuer's up-front costs and expenses are expected to be nil but, if any costs and expenses are required to be incurred, will be funded by the Issuer borrowing an additional amount under the Subordinated Loan Agreement. Such amount will be repayable (subject to amounts being available under the Pre-Acceleration Revenue Priority of Payments) on each Interest Payment Date.

The Subordinated Loan will bear interest at an arm's length rate (subject to deferral if the Issuer has insufficient funds to pay such interest), and the obligations to repay the Liquidity Reserve Proceeds advanced under the Subordinated Loan will be repayable on the Final Redemption Date. On enforcement of the Security, Noteholders will have priority in respect of the Charged Property and the proceeds of enforcement.

Repayment of Liquidity Reserve Proceeds advanced under the Subordinated Loan will be subordinated to the Notes and payments will only be made on and from the Final Redemption Date.

## Liquidity Reserve

In order to provide additional liquidity and credit support to the Class A Notes and the Class B Notes only, so long as the Class A Notes are outstanding, on the Closing Date, the Issuer will draw down the Liquidity Reserve Proceeds under the Subordinated Loan to be made by GMAC UK plc as Subordinated Loan Provider, the proceeds of which will be deposited in the Transaction Account to establish the Liquidity Reserve.

On each Interest Payment Date, amounts standing to the credit of the Liquidity Reserve shall be applied as Available Revenue Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments and shall be used to pay interest on the Class A Notes, interest on the Class B Notes and senior expenses ranking in priority thereto. On and from the Final Class B Interest Payment Date amounts standing to the credit of the Liquidity Reserve can be applied on such Interest Payment Date as Available Principal Receipts and shall be applied in full in accordance with the Pre-Acceleration Principal Priority of Payments in such amount as is required to redeem the Class B Notes and thereafter any excess shall continue to be applied in accordance with the Pre-Acceleration Revenue Priority of Payments. Amounts will be paid into the Liquidity Reserve from Available Revenue Receipts up to the Liquidity Reserve Required Amount on each Interest Payment Date in accordance with the Pre-Acceleration Revenue Priority of Payments.

The **Liquidity Reserve Required Amount** will be up to and including the Final Class B Interest Payment Date, an amount equal to the higher of £200,000 or 2.0 per cent. of the aggregate of the Principal Amount Outstanding of the Class A Notes and the Class B Notes as at the Closing Date or the relevant Interest Payment Date (as applicable) and thereafter, zero.

As a result of the amortisation of the Liquidity Reserve Required Amount, any surplus amounts to be released as a result of such amortisation will be applied to pay the remaining items of the Pre-Acceleration Revenue Priority of Payments.

## Principal Deficiency Ledger

The Principal Deficiency Ledger has been established to record Revenue Deficiencies and principal deficiencies that arise from Defaulted Receivables and VT Receivables in the Portfolio.

The Principal Deficiency Ledger is comprised of three sub-ledgers the Class A Principal Deficiency Sub-ledger, the Class B Principal Deficiency Sub-ledger and the Subordinated Notes Principal Deficiency Sub-ledger which correspond to the Class A Notes, the Class B Notes and the Subordinated Notes respectively.

On each Interest Payment Date the aggregate of (i) any Net Loss Amount in respect of Purchased Receivables which have become Defaulted Receivables or VT Receivables (as appropriate) in the immediately preceding Calculation Period and (ii) an amount equal to the Revenue Deficiency to be applied as Available Revenue Receipts pursuant to the Pre-Acceleration Principal Priority of Payments, will be recorded on the Principal Deficiency Ledger.

The Net Loss Amount is an amount equal to the Outstanding Principal Balance of the Purchased Receivables which have become Defaulted Receivables or VT Receivables (the **Gross Loss Amount**) less the amount equal to Recoveries realised (the **Gross Recovery Amount**) each in a Calculation Period immediately preceding an Interest Payment Date.

To the extent that the Gross Recovery Amount exceeds the Gross Loss Amount on any Interest Payment Date such amount, the Net Recovery Amount, will be treated as revenue and, as such, will be applied in accordance with the Pre-Acceleration Revenue Priority of Payments and may therefore be used to make up any principal deficiencies recorded on the Principal Deficiency Ledger.

In respect of the same Calculation Period any amount corresponding to the Gross Recovery Amount less the Net Recovery Amount shall be applied as Available Principal Receipts.

### **Swap Counterparty**

For a further description of the Swap Counterparty, see "*The Swap Counterparty*" above.

### **Swap Agreement**

On the Closing Date, the Issuer will enter into a fixed/floating interest rate swap transaction with the Swap Counterparty, under an International Swaps and Derivatives Association Inc. 1992 Master Agreement, in order to address certain risks arising as a result of a fixed rate of interest payable under the Purchased Receivables and the floating rate of interest payable by the Issuer under the Class A Notes and the Class B Notes. At the commencement of each relevant period in respect of the interest rate swap transactions, the notional amount of the interest rate swap transaction will be equal to the aggregate of the Class A Notes Principal Amount and the Class B Notes Principal Amount.

Pursuant to the terms of the Swap Agreement, on each Interest Payment Date commencing on the first Interest Payment Date and ending on the date on which the Class B Notes are redeemed in full, the Issuer will make fixed rate payments to the Swap Counterparty in sterling which the Issuer will fund using payments which it receives from the Purchased Receivables. The fixed rate for the purposes of the Swap Agreement will be 1.3745 per cent. per annum. The Swap Counterparty will, on the same Interest Payment Date, make floating rate payments in sterling (calculated by reference to one-month Sterling LIBOR) to the Issuer. The amounts payable by the Issuer and the Swap Counterparty under the Swap Agreement will be netted so that only a net amount will be due from the Issuer or the Swap Counterparty (as the case may be) on an Interest Payment Date.

### **Ratings downgrade of the Swap Counterparty**

#### ***S&P Required Ratings***

In the event that neither the Swap Counterparty nor any credit support provider of the Swap Counterparty nor any guarantor of the Swap Counterparty's obligations under the Swap Agreement (each a **Relevant Entity**) has a long-term unsecured debt rating by S&P of at least "A" and a short-term unsecured debt rating by S&P of at least "A-1" (or, failing this, a long-term unsecured debt rating by S&P of at least "A+" (or such ratings as may be specified in the Swap Agreement in accordance with the relevant S&P Replacement Option (as such term is defined in the Swap Agreement)) (an **Initial S&P Rating Event**), the Swap Counterparty (a) will be obliged to post collateral to the Issuer within (i) 10 business days or (ii) within 20 business days if the Swap Counterparty has delivered to S&P a written proposal for collateral posting within 10 business days or (b) may be required to (i) procure a transfer to an eligible replacement of its obligations under the Swap Agreement or (ii) procure a guarantee from an eligible guarantor in respect of its obligations under the Swap Agreement or (iii) take such other action (which may, for the avoidance of doubt, include taking no action) as will result in the rating of the Class A Notes and the Class B Notes then outstanding following the taking of such action (or inaction) being maintained at, or restored to, at least the level it was at immediately prior to such Initial S&P Rating Event.

In the event that no eligible replacement described in item (b)(i) of the preceding paragraph has a long-term unsecured debt rating by S&P of at least a certain level, it will be obliged to post collateral to the Issuer or procure a guarantee from an eligible guarantor in respect of its obligations under the Swap Agreement.

In the event that no Relevant Entity has a long-term unsecured debt rating by S&P of at least "BBB+" by S&P (or such rating as may be specified in the Swap Agreement in accordance with the relevant S&P Replacement Opinion (as such term is defined in the Swap Agreement)) (a **Subsequent S&P Rating Event**), the Swap Counterparty shall use commercially reasonable efforts to (a) post or, if applicable, continue to



post collateral to the Issuer within (i) 10 business days or (ii) within 20 business days if the Swap Counterparty has delivered to S&P a written proposal for collateral posting within 10 business days and (b) (i) procure a transfer to an eligible replacement of its obligations under the Swap Agreement or (ii) procure a guarantee from an eligible guarantor in respect of its obligations under the Swap Agreement or (iii) take such other action (which may, for the avoidance of doubt, include taking no action) as will result in the rating of the Class A Notes and the Class B Notes then outstanding following the taking of such action (or inaction) being maintained at, or restored to, at least the level it was at immediately prior to such Subsequent S&P Rating Event, in each case, within (i) 60 calendar days or (ii) 90 calendar days if the Swap Counterparty has delivered to S&P a written proposal for collateral posting within 60 calendar days.

In the event that no eligible replacement described in item (i) of the preceding paragraph has a long-term unsecured debt rating by S&P of at least a certain level, it will be obliged to post collateral to the Issuer or procure a guarantee from an eligible guarantor in respect of its obligations under the Swap Agreement.

If the Swap Counterparty fails to post collateral to the Issuer or to procure a transfer or eligible guarantee or take other action in accordance with the foregoing, the Issuer may (but will not be obliged to) terminate the Swap Agreement.

### ***Moody's Required Ratings***

In the event that no Relevant Entity has a long-term issuer default rating by Moody's of at least "A3" (the **Initial Moody's Rating Event**), the Swap Counterparty will be obliged to post collateral to the Issuer in accordance with the terms of the credit support annex to the Swap Agreement.

In the event that no Relevant Entity has a long-term issuer default rating by Moody's of at least "Baa1" (the **Subsequent Moody's Rating Event**), the Swap Counterparty will be obliged to, at its own cost, use commercially reasonable efforts to, as soon as reasonably practicable, either (i) procure a transfer to an eligible replacement of its rights and obligations under the Swap Agreement or (ii) procure a guarantee from an eligible guarantor in respect of its present and future obligations under the Swap Agreement.

If the Swap Counterparty fails to post collateral to the Issuer in accordance with the terms of the credit support annex to the Swap Agreement, this will constitute an Event of Default under the Swap Agreement. If the Swap Counterparty fails to procure a guarantee or transfer within 30 Business Days of the Subsequent Moody's Rating Event this will constitute an Additional Termination Event under the Swap Agreement, provided that an eligible replacement makes a firm offer that meets the conditions specified in the Swap Agreement.

### ***DBRS Required Ratings***

In the event that no Relevant Entity has a long-term issuer default rating by DBRS of at least "A" or its equivalent in accordance with the terms of the Swap Agreement (such initial ratings downgrade an **Initial DBRS Rating Event**), the Swap Counterparty will be obliged to, at its own cost and within 30 Business Days of the occurrence of such downgrade:

- (a) to post collateral to the Issuer on the terms set out in the credit support annex to the Swap Agreement; or
- (b) to the extent permitted by the Swap Agreement, procure a transfer of its rights and obligations under the Swap Agreement to a replacement entity whose long-term unsecured, unsubordinated debt obligations are rated at least as high as "A" by DBRS, or if such entity has no DBRS rating, it has equivalent ratings by another rating agency or the obligations of such entity under the Swap Agreement are guaranteed by an entity whose long-term unsecured, unsubordinated debt obligations are rated at least "A" by DBRS or, if such guarantor entity has no DBRS rating, it has an equivalent rating by another rating agency (a **First Threshold DBRS Compliant Entity**); or

- (c) procure a First Threshold DBRS Compliant Entity to provide a guarantee which complies with the “Legal Criteria for European Structured Finance Transactions” published by DBRS in June 2013 or which DBRS has otherwise approved (a **DBRS Compliant Guarantee**) in respect of the obligations of the Swap Counterparty under the Swap Agreement; or
- (d) take such other action (which may, for the avoidance of doubt, include taking no action) as may be agreed with DBRS as will result in the rating of the Class A Notes and the Class B Notes then outstanding following the taking of such action (or inaction) being maintained at, or restored to, at least the level it was at immediately prior to such Initial DBRS Rating Event,

in each case until the date on which the Relevant Entity is rated at least "A" (or its equivalent by DBRS).

If the Relevant Entity satisfies any of the requirements described under (b) to (d) above, it will not be required to transfer any collateral in respect of the Initial DBRS Rating Event.

In the event that no Relevant Entity has a long-term issuer default rating by DBRS of at least "BBB" or its equivalent in accordance with the terms of the Swap Agreement (a **Subsequent DBRS Rating Event**), the Swap Counterparty will be obliged to (at its own cost):

- (a) post collateral to the Issuer within 30 Business Days of the occurrence of such downgrade; and
- (b) use commercially reasonable efforts to either:
  - (i) to the extent permitted by the Swap Agreement, procure a transfer of its rights and obligations under the Swap Agreement to a First Threshold DBRS Compliant Entity or, where the transferee is not a First Threshold DBRS Compliant Entity and collateral is transferred from the date of such transfer by the transferee, to an entity that could lawfully perform the obligations owing to the Issuer under the Swap Agreement and whose long-term unsecured, unsubordinated debt obligations are rated at least as high as "BBB" by DBRS, or if such entity has no DBRS rating, it has equivalent ratings by another rating agency; or
  - (ii) procure a First Threshold DBRS Compliant Entity to provide a DBRS Compliant Guarantee in respect of the obligations of the Swap Counterparty in respect of the Swap Agreement; or
  - (iii) take such other action (which may, for the avoidance of doubt, include taking no action) as may be agreed with DBRS as will result in the rating of the Class A Notes and the Class B Notes then outstanding following the taking of such action (or inaction) being maintained at, or restored to, at least the level it was at immediately prior to such Subsequent DBRS Rating Event,

in each case until the date on which a Relevant Entity is rated at least "BBB" (or its equivalent) by DBRS.

If the Relevant Entity satisfies any of the requirements described under (b)(i) to (ii) above, it will not be required to transfer any additional collateral in respect of the Subsequent DBRS Rating Event.

Failure by the Swap Counterparty to take measures described above following an Initial DBRS Rating Event or a Subsequent DBRS Rating Event will constitute an Additional Termination Event under the Swap Agreement.

### **Termination rights and payments**

The Swap Agreement may be terminated in certain limited circumstances. Any such termination may oblige the Issuer or the Swap Counterparty to make a termination payment. Any payment due to the outgoing Swap

Counterparty from a replacement Swap Counterparty following termination of the Swap Agreement will be paid to such outgoing Swap Counterparty and will not be made available to the Secured Creditors.

If any of the Class A Notes or the Class B Notes are prepaid in part or in full other than in accordance with their stated maturity, a corresponding proportion of the notional amount of the swap transaction documented by the Swap Agreement will be reduced in accordance with and as more specifically set out in the Swap Agreement.

If the Issuer does not satisfy its payment obligations under the Swap Agreement, this will constitute a default by the Issuer thereunder and will entitle the Swap Counterparty to terminate the Swap Agreement.

Upon the occurrence of certain events in respect of the Issuer, the Swap Counterparty will have the right to terminate the Swap Agreement in accordance with its terms.

### ***Security and Ranking***

The Issuer's obligations to the Swap Counterparty under the Swap Agreement will be secured under the Deed of Charge. In the event of the Charged Property being enforced thereunder, such obligations (other than certain Subordinated Swap Amounts) will rank ahead of payments in respect of the Notes.

### ***Withholding Tax***

All payments to be made by a party under the Swap Agreement are to be made without withholding or deduction for or on account of any tax unless such withholding or deduction is required by applicable law (as modified by the practice of any relevant tax authority). Each of the Issuer and the Swap Counterparty will represent, on entering into the Swap Agreement, that it is not obliged to make any such deduction or withholding under current taxation law and practice. If, as a result of a change in law (or the application or official interpretation thereof), the Issuer is required to make such a withholding or deduction from any payment to be made to the Swap Counterparty under the Swap Agreement, the Issuer will not be obliged to pay any additional amounts to the Swap Counterparty in respect of the amounts so required to be withheld or deducted. If the Swap Counterparty is required to make such a withholding or deduction from any payment to the Issuer under a Swap Agreement, it shall pay to the Issuer such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount the Issuer would have received had no such deduction or withholding been required. The party receiving a reduced payment or that is required to make an additional payment, as the case may be, will have the right to terminate the Swap Agreement (subject to the Swap Counterparty's obligation to use reasonable efforts (provided that such efforts shall not cause significant economic hardship to the Swap Counterparty) to transfer its rights and obligations under the Swap Agreement to another of its offices or affiliates such that payments made by or to that office or affiliate under the Swap Agreement can be made without any withholding or deduction for or on account of tax).

### ***Governing Law***

The Swap Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

## TERMS AND CONDITIONS OF THE NOTES

*The following are the terms and conditions of the Notes in the form (subject to amendment) in which they will be set out in the Trust Deed. The terms and conditions set out below will apply to the Notes in global form.*

The £440,000,000 Class A Asset Backed Floating Rate Notes due September 2022 (the **Class A Notes**), the £16,800,000 Class B Asset Backed Floating Rate Notes due September 2022 (the **Class B Notes**) and the £24,075,000 Subordinated Asset Backed Fixed Rate Notes due September 2022 (the **Subordinated Notes** and, together with the Class A Notes and the Class B Notes, the **Notes**) in each case of E-CARAT 4 plc (the **Issuer**) are constituted by a trust deed (the **Trust Deed**) dated 20 October 2014 (the **Closing Date**) and made between the Issuer and U.S. Bank Trustees Limited (in such capacity, the **Note Trustee**) as trustee for the Noteholders (as defined below). Any reference in these terms and conditions (the **Conditions**) to a **Class** of Notes or of Noteholders shall be a reference to the Class A Notes, the Class B Notes or the Subordinated Notes, as the case may be, or to the respective holders thereof.

The security for the Notes is constituted by a deed of charge and assignment (the **Deed of Charge**) dated on or about the Closing Date and made between, among others, the Issuer and U.S. Bank Trustees Limited (in such capacity, the **Security Trustee**).

Pursuant to an agency agreement (the **Agency Agreement**) dated on or about the Closing Date and made between the Issuer, Elavon Financial Services Limited as principal paying agent (the **Principal Paying Agent** and such additional or other paying agents, if any, appointed from time to time pursuant to the Agency Agreement, the **Paying Agents**) and as agent bank (the **Agent Bank**) and the Note Trustee, provision is made for the payment of principal, and interest in respect of the Notes of each class.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Deed of Charge and the master definitions schedule (the **Master Definitions Schedule**) entered into by, *inter alios*, the Issuer and the Note Trustee on or about the Closing Date.

Copies of the Trust Deed, the Deed of Charge, the Agency Agreement, the Master Definitions Schedule and the other Transaction Documents are available for inspection and collection during normal business hours at the Specified Office for the time being of each of the Paying Agents. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them.

Capitalised terms not otherwise defined in these Conditions shall bear the meanings given to them in the Master Definitions Schedule available as described above. These Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions Schedule.

### 1. FORM, DENOMINATION AND TITLE

1.1 The Class A Notes and the Class B Notes are initially represented by a temporary global note (in respect of the Class A Notes a **Class A Temporary Global Note**, in respect of the Class B Notes a **Class B Temporary Global Note** and collectively, the **Temporary Global Notes**) in bearer form in the aggregate principal amount on issue of £440,000,000 for the Class A Notes and £16,800,000 for the Class B Notes. The Subordinated Notes will be in registered definitive form in the aggregate principal amount on issue of £24,075,000. The Temporary Global Note has been deposited on behalf of the subscribers of the Class A Notes and the Class B Notes with the Common Safekeeper on the Closing Date. Upon deposit of the Class A Temporary Global Note, the Clearing Systems will credit each subscriber of Class A Notes with the principal amount of Class A Notes equal to the aggregate principal amount thereof for which it had subscribed and paid. Upon deposit of the Class B Temporary Global Note, the Clearing Systems will credit each subscriber of Class B Notes with

the principal amount of Class B Notes equal to the aggregate principal amount thereof for which it had subscribed and paid. Interests in the Temporary Global Note are exchangeable on and after the date which is 40 days after the Closing Date, upon certification of non-U.S. beneficial ownership by the relevant Noteholder, for interests in a permanent global note (a **Permanent Global Note**) representing the Class A Notes or the Class B Notes, as appropriate (the expressions **Global Notes** and **Global Note** meaning, respectively, (i) the Temporary Global Note and the Permanent Global Note, or (ii) either the Temporary Global Note or Permanent Global Note, as the context may require). The Permanent Global Note has also been deposited with the Clearing Systems as Common Safekeeper. Title to the Global Notes will pass by delivery.

Interests in a Global Note in respect of the Class A Notes or the Class B Notes will be transferable in accordance with the rules and procedures for the time being of the relevant Clearing System.

Pursuant to the Agency Agreement, Elavon Financial Services Limited has agreed to act as registrar (the **Registrar**) and will maintain a register with respect to the Subordinated Notes (the **Register**). Title to the Subordinated Notes shall only pass by and upon registration in the Register. All transfers of such Subordinated Notes are subject to any restrictions on transfer set forth on such Subordinated Notes and the detailed regulations concerning transfers in the Agency Agreement.

For so long as the Class A Notes and the Class B Notes are represented by a Global Note and the Clearing Systems so permit, the Class A Notes and the Class B Notes will be tradeable only in the minimum authorised denomination of £100,000 and higher integral multiples of £1,000, notwithstanding that no Definitive Notes (as defined below) will be issued with a denomination above £199,000. The Subordinated Notes will be tradeable only in the minimum authorised denomination of £100,000 and higher integral multiples of £1,000.

- 1.2 If, while any of the Class A Notes or the Class B Notes are represented by a Permanent Global Note, (a) either of the Clearing Systems is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no other clearing system acceptable to the Note Trustee is then in existence or (b) the Issuer or any Paying Agent has or will become subject to adverse tax consequences which would not be suffered were such Class A or Class B Notes in definitive form, then the Issuer will issue Notes of the relevant class in definitive form (**Definitive Notes**) in exchange for such Permanent Global Note (free of charge to the persons entitled to them) within 30 days of the occurrence of the relevant event. These Conditions and the Transaction Documents will be amended in such manner as the Note Trustee and the Security Trustee require to take account of the issue of Definitive Notes.
- 1.3 Definitive Notes in respect of the Class A Notes and the Class B Notes, if issued, will only be printed and issued in denominations of £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. No Definitive Notes will be issued with respect to the Class A Notes and the Class B Notes with a denomination above £199,000. All such Notes will be serially numbered and will be issued in bearer form with (at the date of issue) interest coupons, principal coupons and, if necessary, talons attached.
- 1.4 **Noteholders**, with respect to the Class A Notes and the Class B Notes, means each person (other than the Clearing Systems themselves) who is for the time being shown in the records of the Clearing Systems as the holder of a particular Principal Amount Outstanding (as defined in Condition 6.4 (Principal Amount Outstanding)) of the Class A Notes or the Class B Notes (in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the Principal Amount Outstanding of the Notes standing to the account of any person shall be conclusive and binding for all purposes) and such person shall be treated by the Issuer, the Note Trustee, the Security Trustee and all other persons as the holder of such Principal Amount Outstanding of such

Notes for all purposes, other than for the purpose of payments in respect thereof, the right to which shall be vested, as against the Issuer, the Note Trustee, the Security Trustee and all other persons, solely in the bearer of the relevant Global Note in accordance with and subject to its terms and for which purpose **Noteholders** means the bearer of the relevant Global Note; and related expressions shall be construed accordingly. **Noteholders**, with respect to the Subordinated Notes, means each person who is for the time being showing in the Register as holder(s) of the Subordinated Notes.

- 1.5 (a) **Class A Noteholders** means Noteholders in respect of the Class A Notes;
- (b) **Class B Noteholders** means Noteholders in respect of the Class B Notes; and
- (c) **Subordinated Noteholders** means Noteholders in respect of the Subordinated Notes and, together with the Class A Noteholders and the Class B Noteholders, the **Noteholders**.

## 2. STATUS AND RELATIONSHIP BETWEEN THE NOTES AND SECURITY

### 2.1 Status and relationship between the Notes

- (a) The Class A Notes constitute direct, secured and, subject as provided in Condition 10 (Enforcement), unconditional obligations of the Issuer. The Class A Notes rank *pari passu* without preference or priority amongst themselves.
- (b) The Class B Notes constitute direct, secured and (subject as provided in Condition 10 (Enforcement) and Condition 15 (Subordination by Deferral of Interest)) unconditional obligations of the Issuer. The Class B Notes rank *pari passu* without preference or priority amongst themselves but junior to the Class A Notes as provided in these Conditions and the Transaction Documents.
- (c) The Subordinated Notes constitute direct, secured and, subject as provided in Condition 10 (Enforcement) and Condition 15 (Subordination by Deferral of Interest), unconditional obligations of the Issuer. The Subordinated Notes rank *pari passu* without preference or priority amongst themselves but junior to the Class A Notes and the Class B Notes as provided in these Conditions and the Transaction Documents.
- (d) The Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Noteholders equally as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee (except where expressly provided otherwise) provided that the Note Trustee (other than as set out in the Trust Deed, in particular with regards to modifications, consents and waivers) will be required in any such case to have regard only to the interests of (i) the Class A Noteholders if, in the Note Trustee's opinion, there is a conflict between the interests of on the one hand, the Class A Noteholders, and, on the other, each or any of the Class B Noteholders or the Subordinated Noteholders; (ii) the Class B Noteholders if, in the Note Trustee's opinion, there is a conflict between the interests of, on the one hand, the Class B Noteholders and, on the other, each or any of the Subordinated Noteholders.

### 2.2 Security

- (a) The security constituted by and pursuant to the Deed of Charge is granted to the Security Trustee, on trust for the Noteholders and certain other creditors of the Issuer, upon and subject to the terms and conditions of the Deed of Charge.
- (b) The Noteholders will share in the benefit of the security constituted by and pursuant to the Deed of Charge, upon and subject to the terms and conditions of the Deed of Charge.

### 3. COVENANTS

Save with the prior written consent of the Note Trustee or unless otherwise permitted or contemplated under any of the Transaction Documents, the Issuer shall not, so long as any Note remains outstanding:

- (a) **Negative pledge:** create or permit to subsist any encumbrance (unless arising by operation of law) or other security interest whatsoever over any of its assets or undertaking (other than for the avoidance of doubt, any security created pursuant to the Deed of Charge);
- (b) **Restrictions on activities:** (i) 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 envisage that the Issuer will engage (including without limitation activities of the Issuer in connection with its regulatory obligations under EMIR as a consequence of entering into the Swap Agreement); or (ii) have any subsidiaries (as defined in the Companies Act 2006), any subsidiary undertakings (as defined in the Companies Act 2006) or any employees or premises;
- (c) **Disposal of assets:** transfer, sell, lend, 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;
- (d) **Dividends or distributions:** pay any dividend or make any other distribution to its shareholders or issue any further shares;
- (e) **Indebtedness:** incur any financial indebtedness or give any guarantee in respect of any financial indebtedness or of any other obligation of any person;
- (f) **Merger:** consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person;
- (g) **No modification or waiver:** permit any of the Transaction Documents to which it is a party to become invalid or ineffective or permit the priority of the security interests created or evidenced thereby or pursuant thereto to be varied or 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 or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations or exercise any right to terminate any of the Transaction Documents to which it is a party;
- (h) **Issuer Bank accounts:** have an interest in any bank account other than the Issuer Bank Accounts, unless such account or interest therein is charged to the Security Trustee on terms acceptable to it;
- (i) **Corporation tax:** prejudice its eligibility for its corporation tax liability to be calculated in accordance with regulation 14 of the Taxation of Securitisation Companies Regulations 2006.

### 4. INTEREST

#### 4.1 Interest Accrual

Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest from and including the close of business on the day preceding the day on which such Note has been redeemed in full unless, upon due presentation in accordance with Condition 5

(Payments), payment of the principal in respect of the Note is improperly withheld or refused or default is otherwise made in respect of the payment, in which event interest shall continue to accrue as provided in the Trust Deed.

## 4.2 Interest Payment Dates

The Notes bear interest on their respective Principal Amounts Outstanding from and including the Closing Date payable monthly in arrear on the 18th day of each calendar month (each an **Interest Payment Date**) in respect of the relevant Interest Period (as defined below). If any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would then fall into the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day. The first payment shall be due on the Interest Payment Date falling in November 2014. The period from (and including) the Closing Date to (but excluding) the first Interest Payment Date and each successive period from and including an Interest Payment Date to but excluding the next succeeding Interest Payment Date is called an **Interest Period**.

## 4.3 Rate of Interest

- (a) For each Interest Period, the interest rate applicable to (i) the Class A Notes shall be one-month Sterling LIBOR plus 0.41% per annum (the **Class A Notes Interest Rate**) and (ii) the Class B Notes shall be one-month Sterling LIBOR plus 0.95% per annum (the **Class B Notes Interest Rate**), with LIBOR being determined by the Agent Bank on the following basis:
- (i) at or about 11.00 a.m. London time on each Interest Payment Date (each such day, a **LIBOR Determination Date**), the Agent Bank will determine the offered quotation from leading banks in the London interbank market (**LIBOR**) for one-month Sterling deposits (rounded to five decimal places with the mid-point rounded up) by reference to the display designated as the London interbank offered rate administered by ICE Benchmark Administration Limited (or such other party that takes over the administration of that rate) as quoted on page LIBOR01 of the Reuters screen service (the **LIBOR Screen Rate**). If the agreed page is replaced or service ceases to be available, the Agent Bank may specify another page or service displaying the appropriate rate after consultation with the Note Trustee and the Principal Paying Agent; or
  - (ii) if the LIBOR Screen Rate is not then available for Sterling or for the Interest Period of the Class A Notes or the Class B Notes (as applicable), the arithmetic mean of the rates (rounded to five decimal places with the mid-point rounded up) as supplied to the Agent Bank at its request by the principal London office of each of three Reference Banks or such other three banks which the Agent Bank (in consultation with the Note Trustee and the Principal Paying Agent) may appoint from time to time (the **Reference Banks**) at or about 11.00 a.m. London time on the LIBOR Determination Date for the offering of deposits to the leading banks in the London interbank market in Sterling and for a period comparable to the Interest Period for the Notes. If on any LIBOR Determination Date, only two of three of the Reference Banks provide such offered quotations to the Agent Bank, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations. If on any such LIBOR Determination Date, only one quotation is provided as requested, the rate for that LIBOR Determination Date will be the arithmetic mean (rounded to five decimal places with the mid-point rounded up) of the rates quoted by leading banks in London selected by the Agent Bank (which bank or banks is or are in the opinion of the Note Trustee suitable for such purpose); and



- (b) the Subordinated Notes bear interest on their respective Principal Amount Outstanding from and including the Closing Date at a fixed rate of 5.50 per cent. per annum (the **Subordinated Notes Interest Rate** and together with the Class A Notes Interest Rate and the Class B Notes Interest Rate, the **Interest Rate**).
- (c) In these Conditions (except where otherwise defined), the expression:
- (i) **Business Day** means a day which is both a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, and Brussels;
  - (ii) **Interest Determination Date** means, in respect of the Notes the first day of the Interest Period for which the rate will apply;
  - (iii) **Representative Amount** means, in relation to any quotation of a rate for which a Representative Amount is relevant, an amount that is representative for a single transaction in the relevant market at the relevant time.

#### 4.4 Determination of Interest Amounts

The amount of interest payable in respect of each Class A Note and Class B Note on any Interest Payment Date shall be calculated not later than on the first day of the Interest Period immediately preceding such Interest Payment Date. The Agent Bank will, on the LIBOR Determination Date in relation to each Interest Period, calculate the amount of interest (the **Interest Amount**) payable in respect of each Class A Note and Class B Note for such Interest Period. The Interest Amount in respect of (i) the Class A Notes (the **Class A Notes Interest Amount**) will be calculated by applying the Class A Notes Interest Rate for such Interest Period to the Principal Amount Outstanding of such Class A Notes on the first day of such Interest Period (after making any payments of principal in respect thereof), multiplying the product by the actual number of days in such Interest Period divided by 365 (the **Floating Rate Day Count Fraction**) and rounding the resulting figure to the nearest £0.01 (half a penny being rounded upwards) and (ii) the Class B Notes (the **Class B Notes Interest Amount**) will be calculated by applying the Class B Notes Interest Rate for such Interest Period to the Principal Amount Outstanding of such Class B Notes on the first day of such Interest Period (after making any payments of principal in respect thereof), multiplying the product by the Floating Rate Day Count Fraction and rounding the resulting figure to the nearest £0.01 (half a penny being rounded upwards). If the Agent Bank certifies that it cannot determine LIBOR in accordance with the foregoing, LIBOR shall be LIBOR as determined on the immediately preceding LIBOR Determination Date.

The amount of interest payable in respect of each Subordinated Note (the **Subordinated Notes Interest Amount**) on each Interest Payment Date shall be calculated not later than on the first day of each Interest Period by applying the Subordinated Notes Interest Rate to the Principal Amount Outstanding of the Subordinated Notes on the first day of the relevant Interest Period (after making any payments of principal in respect thereof) and multiplying the product by the Fixed Rate Day Count Fraction and rounding the resulting figure to the nearest penny (half a penny being rounded upwards).

**Fixed Rate Day Count Fraction** means:

- (a) in respect of any period which is a Regular Period, the number of days in the relevant period (from and including the first day of the relevant period to but excluding the last day of the relevant period) divided by the product of (i) the number of days in the Regular Period in

which the relevant period falls and (ii) the number of Regular Periods in any period of one year; or

- (b) in respect of any period which is not a Regular Period the sum of:
  - (i) the number of days in such Regular Period falling in the relevant period in which the Regular Period begins divided by the product of (x) the number of days in such relevant period and (y) the number of Regular Dates that would occur in one calendar year; and
  - (ii) the number of days in such Regular Period falling in the next relevant period divided by the product of (x) the number of days in such relevant period and (y) the number of Regular Dates that would occur in one calendar year;

**Regular Period** means each period from (and including) a Regular Date in any year to (but excluding) the next Regular Date; and

**Regular Date** means the 18th day of each calendar month (whether before or after the Closing Date or before or after the scheduled Final Maturity Date of the Notes).

#### **4.5 Publication of Rate of Interest and Interest Amounts**

The Agent Bank shall cause each of the Class A Notes Interest Rate, the Class B Notes Interest Rate, the Subordinated Notes Interest Rate, and the Class A Notes Interest Amount, the Class B Notes Interest Amount and the Subordinated Notes Interest Amount for each Interest Period and the relative Interest Payment Date to be notified to the Issuer, the Note Trustee, the Registrar, each of the Clearing Systems and to any stock exchange or other relevant authority on which the Notes are at the relevant time admitted to trading and/or listed and to be published in accordance with Condition 14 (Notice to Noteholders) as soon as possible after their determination and in no event later than the second Business Day thereafter. The Class A Notes Interest Amount, the Class B Notes Interest Amount and the Subordinated Notes Interest Amount and Interest Payment Date may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

#### **4.6 Determination by the Note Trustee**

The Note Trustee shall, if the Agent Bank defaults at any time in its obligation to calculate any of the Class A Note Interest Amount and/or the Class B Notes Interest Amount and/or the Subordinated Note Interest Amount in accordance with the above provisions, (a) calculate the Class A Notes Interest Amount and/or the Class B Notes Interest Amount and/or the Subordinated Notes Interest Amount, as the case may be, in the manner provided in Condition 4.4 (Determination of Interest Amounts) or (b) use the Class A Notes Interest Rate and/or the Class B Notes Interest Rate and/or the Subordinated Notes Interest Rate, as the case may be, as last determined in the manner provided in Condition 4.4 (Determination of Interest Amounts) and each such determinations or calculation shall be deemed to be determination or calculation by the Agent Bank. The Note Trustee shall assume no liability for such calculation and the Note Trustee may engage advisors (at the cost of the Issuer) to perform such calculations and shall not be liable for any delay incurred by so doing.

#### **4.7 Notifications, etc. to be Final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4, whether by the Agent Bank or the Note Trustee, will (in the absence of gross negligence, wilful default or fraud) be binding on the Issuer, the Note Trustee, the Agent Bank, the Paying Agents, the Registrar and all

Noteholders and (in the absence of gross negligence, wilful default or fraud) no liability to the Issuer or to the Noteholders shall attach to the Agent Bank or, if applicable, the Note Trustee in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under this Condition 4.

#### **4.8 Agent Bank**

The Issuer shall procure that, so long as any of the Notes remains outstanding, there is at all times an Agent Bank for the purposes of the Notes and the Issuer may terminate the appointment of the Agent Bank. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Agent Bank or failing duly to determine the amount of interest for any Interest Period, the Issuer shall, appoint the London office of another major bank engaged in the London interbank market to act in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed.

### **5. PAYMENTS**

#### **5.1 Payments in respect of Notes**

Payments in respect of principal and interest in respect of any Global Note will be made outside the United States only against presentation of such Global Note to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Noteholders in accordance with Condition 14 (Notice to Noteholders) for such purpose, subject, in the case of any Temporary Global Note, to certification of non-US beneficial ownership as provided in such Temporary Global Note. Each payment of principal or interest made in respect of a Global Note will be recorded by the Clearing Systems in their records (which records are the records each relevant Clearing System holds for its customers and reflect such customers' interest in the Notes) and such records shall be *prima facie* evidence that the payment in question has been made. No person appearing from time to time in the records of either of the Clearing Systems as the holder of a Class A Note or a Class B Note shall have any claim directly against the Issuer in respect of payments due on such Class A Note or Class B Note whilst such Class A Note or Class B Note is represented by a Global Note and the Issuer shall be discharged by payment of the relevant amount to the bearer of the relevant Global Note. The Issuer shall procure that each payment shall be entered *pro rata* in the records of the relevant Clearing System but any failure to make such entries shall not affect the discharge referred to above.

Payments in respect of the Subordinated Notes shall be made by transfer to the account specified by the Subordinated Noteholder to the Principal Paying Agent in accordance with the terms of the Agency Agreement.

#### **5.2 Method of Payment**

Payments will be made in respect of the Notes by credit or transfer to an account in Sterling maintained by the payee with a bank in London.

#### **5.3 Payments subject to Applicable Laws**

Payments in respect of principal and interest on the Notes are subject in all cases to (i) any fiscal or other laws and regulations applicable in the place of payment and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

#### **5.4 Payment only on a Presentation Date**

A holder shall be entitled to present a Global Note for payment only on a Presentation Date and shall not, except as provided in Condition 4 (Interest), be entitled to any further interest or other payment if a Presentation Date is after the due date.

**Presentation Date** means a day which (subject to Condition 8 (Prescription)):

- (a) is or falls after the relevant due date;
- (b) is a Business Day in the place of the Specified Office of the Paying Agent at which the Global Note is presented for payment; and
- (c) in the case of payment by credit or transfer to a Sterling account in London as referred to above, is a Business Day in London.

In this Condition 5.4, Business Day means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place.

#### **5.5 Paying Agents**

The name of the Principal Paying Agent and its initial Specified Office are set out at the end of these Conditions. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

- (a) there will at all times be a person appointed to perform the obligations of the Principal Paying Agent;
- (b) there will at all times be at least one Paying Agent (who may be the Principal Paying Agent) having its Specified Office in such place as may be required by the rules and regulations of the relevant stock exchange and competent authority which, for so long as the Notes are admitted to trading on the Official List of the Irish Stock Exchange and to trading on its regulated market and the relevant listing rules require, shall be a place in the United Kingdom (such as London) or such other place as the Irish Stock Exchange may approve; and
- (c) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

Notice of any termination or appointment and of any changes in Specified Offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 14 (Notice to Noteholders).

### **6. REDEMPTION**

#### **6.1 Redemption at maturity**

Unless previously redeemed in full, the Issuer will redeem the Notes at their respective Principal Amount Outstanding on the Interest Payment Date falling on the Final Maturity Date.

## 6.2 Optional redemption for taxation or other reasons

If:

- (a) by reason of a change in tax law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, on the next Interest Payment Date, the Issuer or the Paying Agents would be required to deduct or withhold from any payment of principal or interest on any Class of the Notes any amount 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 subdivision thereof or any authority thereof or therein having power to tax or any other tax authority outside the United Kingdom;
- (b) the Principal Amount Outstanding of the Notes is equal to or less than 10 per cent. of the aggregate Principal Amount Outstanding of the Notes as of the Closing Date; or
- (c) the Class A Notes and the Class B Notes have been redeemed in full,

then the Issuer:

- (i) may redeem all, but not some only, of the Notes, or
- (ii) if the Seller has directed the Issuer to use the proceeds of a repurchase of the Purchased Receivables by the Seller to redeem the Notes, the Issuer must redeem all, but not some only, of the Notes,

in each case, on the next following Interest Payment Date or, in respect of (c), on and from the Interest Payment Date on which (c) occurs.

The Issuer may, if the same would avoid the effect of the relevant event described above, appoint a Paying Agent in another jurisdiction or use its reasonable endeavours to arrange the substitution of a company incorporated and/or tax resident in another jurisdiction as principal debtor under the Notes.

If the Issuer certifies to the Note Trustee immediately before giving the notice referred to below that one or more of the events described above is continuing then the Issuer may, on any Interest Payment Date and having given not more than 60 nor less than 30 days' notice (or, in the case of **sub-paragraph (a)** described above, such shorter period expiring on or before the latest date permitted by relevant law) to the Noteholders in accordance with Condition 14 (Notice to Noteholders) and to the Note Trustee, redeem all, but not some only, of the Notes at their respective Principal Amount Outstanding together with accrued but unpaid interest up to but excluding the date of redemption (which shall be an Interest Payment Date). Prior to the publication of any notice of redemption pursuant to this Condition 6.2, the Issuer shall deliver to the Note Trustee a certificate signed by two directors of the Issuer stating that (a) the relevant event described above is continuing; (b) in the case of **sub-paragraph (b) above**, that no Event of Default has occurred and that no Insolvency Event has occurred in respect of the Issuer; and (c) in the case of **sub-paragraphs (a) to (c) above** inclusive, the Issuer will have the necessary funds to pay all principal and interest due in respect of the Notes on the relevant Interest Payment Date and to discharge all other amounts required to be paid by it on the relevant Interest Payment Date, and the Note Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above and it shall be conclusive and binding on the Noteholders.

### **6.3 Mandatory Redemption in part**

Other than as set out in this Condition 6, the Principal Amount Outstanding of the Notes shall not be due until the Final Maturity Date, however on each Interest Payment Date, prior to the service of a Note Acceleration Notice, Available Principal Receipts will be applied in redemption of the Notes, in accordance with the Pre-Acceleration Principal Priority of Payments.

On and after the occurrence of an Event of Default and service of a Note Acceleration Notice, the Issuer shall redeem the Notes in accordance with the Post-Acceleration Priority of Payments.

For the avoidance of doubt the Notes will be redeemed, subject to and in accordance with the relevant Priority of Payments.

### **6.4 Principal Amount Outstanding**

The **Principal Amount Outstanding** of a Note on any date shall be its original principal amount less the aggregate amount of all principal payments in respect of such Note which have become paid since the Closing Date except if and to the extent that any such payment has been improperly withheld or refused.

### **6.5 Notice of redemption**

Any such notice as is referred to in Condition 6.2 (Optional redemption for taxation or other reasons) above shall be irrevocable and, upon the expiry of such notice, the Issuer shall be bound to redeem the relevant Notes at the applicable amounts specified above.

### **6.6 No purchase by the Issuer**

The Issuer will not be permitted to purchase any of the Notes.

### **6.7 Cancellation**

All Notes redeemed in full will be cancelled upon redemption and may not be resold or re-issued.

## **7. TAXATION**

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**), unless the withholding or deduction of the Taxes is required by applicable law. In that event, the Issuer or, as the case may be, the relevant Paying Agent shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities for the amount required to be withheld or deducted. Neither the Issuer nor any other person shall be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

## **8. PRESCRIPTION**

Claims in respect of principal and interest on the Notes will be prescribed after ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the relevant payment.

In this Condition 8, the "**Relevant Date**", in respect of a payment, is the date on which such payment first becomes due or (if the full amount of the monies payable on that date has not been duly received by the Principal Paying Agent or the Note Trustee on or prior to such date) the date on

which, the full amount of such monies having been received, notice to that effect is duly given to the relevant Noteholders in accordance with Condition 14 (Notice to Noteholders).

## **9. EVENTS OF DEFAULT**

9.1 The Note Trustee in its absolute discretion may, and if so directed in writing by the holders of at least one-fifth in aggregate Principal Amount Outstanding of the Class A Notes while they remain outstanding and thereafter the Class B Notes while they remain outstanding and thereafter the Subordinated Notes while they remain outstanding (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 being indemnified and /or prefunded and/or secured to its satisfaction against all Liabilities to which it may become liable or which it may incur by so doing and subject as further provided in clause 9.1(b) of the Trust Deed), (but, in the case of the happening of any of the events described in subparagraph (d) below, only if the Note Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the **Most Senior Class of Notes**) shall give notice (a Note Acceleration Notice) to the Issuer that all classes of the Notes are immediately due and repayable at their respective Principal Amounts Outstanding, together with accrued interest as provided in the Trust Deed, following the occurrence of any of the following events (each, an **Event of Default**):

- (a) an Insolvency Event occurs with respect to the Issuer; or
- (b) the Issuer defaults in the payment of any interest on the Most Senior Class of Notes when the same becomes due and payable, and such default continues for a period of ten Business Days (for the avoidance of doubt, while any of the Class A Notes are still outstanding, non-payment on the Class B Notes and the Subordinated Notes will not be an Event of Default and while any of the Class B Notes are still outstanding, non-payment on the Subordinated Notes will not be an Event of Default);; or
- (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 five Business Days, for the avoidance of doubt, non-payment on the Class B Notes and the Subordinated Notes, while any of the Class A Notes are still outstanding, will not be an Event of Default; or
- (d) the Issuer fails to perform or observe any of its other obligations under the Conditions or any Transaction Document to which it is a party and (except in any case where the Note Trustee or, in the case of the Deed of Charge, the Security Trustee considers the failure to be incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for a period of 30 days following the service by the Note Trustee or, as the case may be, the Security Trustee on the Issuer of notice requiring the same to be remedied.

### **9.2 General**

Upon the service of a Note Acceleration Notice by the Note Trustee in accordance with Condition 9.1 above, all classes of the Notes then outstanding shall thereby immediately become due and repayable at their respective Principal Amounts Outstanding, together with accrued interest as provided in the Trust Deed. The security constituted by the Deed of Charge will become enforceable upon the occurrence of an Event of Default.

### **9.3 Restriction**

Except in the case of an Event of Default referred to in Condition 9.1(b) or 9.1(c), the Note Trustee will not be entitled to direct the Security Trustee to dispose of any of the assets comprised in the

Security constituted by the Deed of Charge unless a financial adviser selected by the Note Trustee has confirmed that, in its opinion, either (i) a sufficient amount would be realised from such disposal to allow discharge in full of all amounts owing to the Noteholders or (ii) a sufficient amount would not be so realised, but the resulting shortfall would be less than the shortfall that would result from not disposing of such assets.

## **10. ENFORCEMENT**

Subject to Condition 9 (Events of Default), the Note Trustee may at any time at its discretion and without notice, and shall, if so directed in writing by the holders of at least one-fifth in aggregate Principal Amount Outstanding 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 being indemnified and /or pre-funded and/or secured to its satisfaction against all Liability to which it may become liable or which it may incur by so doing and subject as further provided in clause 9.1(b) of the Trust Deed), take such action under or in connection with any of the Transaction Documents as it may think fit (including, without limitation, directing the Security Trustee to take any action under or in connection with any of the Transaction Documents or, after the service of a Note Acceleration Notice, to take steps to enforce the security constituted by the Deed of Charge), provided that:

- (a) (except where expressly provided otherwise) the Security Trustee shall not, and shall not be bound to, take any action under the Deed of Charge unless it shall have been so directed by (i) the Note Trustee or (ii) if there are no Notes outstanding, the Secured Creditor who ranks most senior in the Post-Acceleration Priority of Payments (other than the Note Trustee or the Security Trustee);
- (b) neither the Note Trustee nor the Security Trustee shall be bound to take any such action unless it shall have been indemnified and /or pre-funded and/or secured to its satisfaction; and
- (c) none of the Note Trustee, the Security Trustee or any of the Secured Creditors shall be entitled to take any steps or proceedings to procure the winding-up, administration or liquidation of the Issuer.

Notwithstanding the foregoing, the Deed of Charge will provide that the Security Trustee shall use its best endeavours to enforce the security constituted by the Deed of Charge by appointing an administrative receiver in respect of the Issuer if it has actual notice of (i) an application for the appointment of an administrator in respect of the Issuer or (ii) the giving of a notice of intention to appoint an administrator in respect of the Issuer, such appointment of an administrative receiver to take effect not later than the final day by which the appointment must be made in order to prevent an administration proceeding.

The Deed of Charge will further provide that (a) the Security Trustee will not be liable for any failure to appoint an administrative receiver in respect of the Issuer, save in the case of its own gross negligence, wilful default or fraud and (b) in the event that the Security Trustee appoints an administrative receiver in respect of the Issuer under the Deed of Charge in the circumstances set out in the paragraph above, then the Issuer shall waive any claims against the Security Trustee in respect of the appointment of the administrative receiver.

Subject to the terms of the Deed of Charge, no Noteholder shall be entitled to proceed directly against the Issuer or any other party to any of the Transaction Documents to enforce the performance of any of the provisions of the Transaction Documents and/or to take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer.



Notwithstanding any other Condition or any provision of any Transaction Document, all obligations of the Issuer to the Noteholders are limited in recourse in accordance with this Condition 10 to the property, assets and undertakings of the Issuer the subject of any security created by the Deed of Charge (the **Charged Property**) if:

- (a) there is no Charged Property remaining which is capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Charged Property have been applied to meet or to provide for the relevant obligations specified in, and in accordance with, the provisions of the Deed of Charge; and
- (c) there are insufficient amounts available from the Charged Property to pay in full, in accordance with the provisions of the Deed of Charge, amounts outstanding under the Notes (including payments of principal and interest),

then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal and/or interest in respect of the Notes) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

## **11. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER**

- 11.1 The Trust Deed contains provisions for convening meetings of the Noteholders of each Class and, in certain cases, more than one Class to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Conditions or the provisions of any of the Transaction Documents.
- 11.2 An Extraordinary Resolution passed at any meeting of the Class A Noteholders shall be binding on the Class B Noteholders and the Subordinated Noteholders irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a modification of these Conditions or the provisions of any of the Transaction Documents or a waiver or authorisation of any breach or proposed breach thereof or certain other matters specified in the Trust Deed will not take effect unless: (i) either the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class B Noteholders and the Subordinated Noteholders or (ii) it is sanctioned by an Extraordinary Resolution of the Class B Noteholders and the Subordinated Noteholders.
- 11.3 Whilst the Class A Notes are outstanding, an Extraordinary Resolution passed at any meeting of the Class B Noteholders shall not be effective for any purpose unless either (i) the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders or (ii) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders, but subject also to Condition 11.5 below. If the Class A Notes are no longer outstanding, then an Extraordinary Resolution passed at any meeting of the Class B Noteholders shall be binding on the Subordinated Noteholders irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a modification of these Conditions or the provisions of any of the Transaction Documents or a waiver or authorisation of any breach or proposed breach thereof or certain other matters specified in the Trust Deed will not take effect unless: (i) either the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Subordinated Noteholders or (ii) it is sanctioned by an Extraordinary Resolution of the Subordinated Noteholders.
- 11.4 An Extraordinary Resolution (other than an Extraordinary Resolution referred to in Condition 11.2 above or Condition 11.3 above) passed at any meeting of the Subordinated Noteholders shall not be effective for any purpose unless either the Note Trustee is of the opinion that: (i) it would not be

materially prejudicial to the interests of the Class A Noteholders or the Class B Noteholders or (ii) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders and the Class B Noteholders, but subject also to Condition 11.5 below.

- 11.5 Subject as provided below, the quorum at any meeting of Noteholders of any Class or Classes of Notes for passing an Ordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of such Class or Classes of Notes, or, at any adjourned meeting, one or more persons being or representing a Noteholder of the relevant Class or Classes, whatever the aggregate Principal Amount Outstanding of the Notes of such Class or Classes held or represented by it or them.
- 11.6 The quorum at any meeting of Noteholders of any Class or Classes for passing an Extraordinary Resolution to sanction a modification of the date of maturity of any Notes or which would have the effect of postponing any day for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of such Notes, altering the currency of payment of such Notes or altering the quorum or majority required in relation to this exception (each, a **Basic Terms Modification**) shall be one or more persons holding or representing not less than three-quarters or, at any adjourned meeting, not less than one-quarter of the aggregate Principal Amount Outstanding of the Notes of such Class or Classes.

The Trust Deed provides that, 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 9 (Events of Default) shall apply:

- (a) an Extraordinary Resolution passed at any meeting of the Class A Noteholders shall be binding on the Class B Noteholders and the Subordinated Noteholders irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a modification of the Trust Deed or any of the other Transaction Documents or a waiver or authorisation of any breach or proposed breach thereof or any of the matters referred to in subparagraphs 19(a), (b), (c), (i) and (j) of Schedule 3 (*Provisions for Meetings of Noteholders*) to the Trust Deed will not take effect unless either; (i) the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class B Noteholders or the Subordinated Noteholders or (ii) it is sanctioned by an Extraordinary Resolution of the Class B Noteholders and the Subordinated Noteholders;
- (b) Whilst the Class A Notes are outstanding no Extraordinary Resolution of the Class B Noteholders (other than a sanctioning Extraordinary Resolution referred to in subparagraph (a) above) shall be effective for any purpose unless either the Note Trustee is of the opinion that: (i) it would not be materially prejudicial to the interests of the Class A Noteholders or (ii) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders or none of Class A Notes remain outstanding. If the Class A Notes are no longer outstanding, then an Extraordinary Resolution passed at any meeting of the Class B Noteholders shall be binding on the Subordinated Noteholders irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a modification of the Trust Deed or any of the other Transaction Documents or a waiver or authorisation of any breach or proposed breach thereof or any of the matters referred to in subparagraphs 19(a), (b), (c), (i) and (j) of Schedule 3 (*Provisions for Meetings of Noteholders*) to the Trust Deed will not take effect unless either the Note Trustee is of the opinion that: (i) it would not be materially prejudicial to the interests of the Subordinated Noteholders or (ii) it is sanctioned by an Extraordinary Resolution of the Subordinated Noteholders; and
- (c) no Extraordinary Resolution of the Subordinated Noteholders (other than a sanctioning Extraordinary Resolution referred to in subparagraph (a) or (b) above) shall be effective for

any purpose unless either: (i) the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders or the Class B Noteholders or (ii) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders and the Class B Noteholders or (iii) none of the Class A Notes or Class B Notes remain outstanding.

The Trust Deed contains similar provisions in relation to directions in writing from the holders of the Most Senior Class of Notes outstanding upon which the Note Trustee is bound to act.

11.7 The Note Trustee may agree, or may direct the Security Trustee to agree, without the consent of the Noteholders or the other Secured Creditors:

- (a) to any modification, or to any waiver or authorisation of any breach or proposed breach, of these Conditions or of any of the Transaction Documents which, in the opinion of the Note Trustee, is not materially prejudicial to the interests of the Noteholders and the other Secured Creditors; or
- (b) to any modification which, in the opinion of the Note Trustee, is of a formal, minor or technical nature, to correct a manifest error or an error which is, in the opinion of the Note Trustee, proven, or is necessary to comply with any mandatory provisions of law.

11.8 Notwithstanding the provisions of Condition 11.7, the Note Trustee shall be obliged and shall direct the Security Trustee, without any consent or sanction of the Noteholders or the other Secured Creditors, but subject to the receipt of written consent from any 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 as proposed by the Swap Counterparty or the Account Bank pursuant to Condition 11.8(a)(ii):

- (a) 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:
  - (i) 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
  - (ii) in the case of any modification to a Transaction Document or these Conditions proposed by the Swap Counterparty 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):
    - (A) the Swap Counterparty or the Account Bank, as the case may be, certifies in writing to the Issuer, the Calculation Agent, the Note Trustee and the Security Trustee that such modification is necessary for the purposes described in paragraph (ii)(x) and/or (y) above;
    - (B) Either:
      - I. the Swap Counterparty 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, the Calculation Agent, the Note Trustee and the Security Trustee; or

II. the Swap Counterparty 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 a downgrade, qualification or withdrawal of the then current ratings assigned to any Class of the Notes by such Rating Agency; and

(C) the Swap Counterparty or the Account Bank, as the case may be, pays all costs and expenses (including legal fees) incurred by the Issuer, the Calculation Agent, the Note Trustee and the Security Trustee in connection with such modification;

- (b) for the purpose of complying with any changes in the requirements of Article 405 of the CRR, Article 17 of Directive 2011/61/EU (as amended) or Article 51 of the AIFM Regulation, after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the CRR or the AIFM Regulation 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;
- (c) for the purpose of enabling the Notes to be (or to remain) listed on the Irish Stock Exchange, 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;
- (d) 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;
- (e) for the purpose of complying with any changes in the requirements of Regulation (EU) No 1060/2009 (the **CRA Regulation**) after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the CRA Regulation 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,

(the certificate to be provided by the Issuer, the Swap Counterparty or the relevant Transaction Party, as the case may be, pursuant to Conditions 11.8(a) to (e) above being a Modification Certificate). The Note Trustee is only obliged to concur with the Issuer in making any modification referred to in Conditions 11.8(a) to (e) above (other than in respect of a Basic Terms Modification) to the Conditions and/or any Transaction Document provided that:

- (A) at least 30 days' prior written notice of any such proposed modification has been given to the Note Trustee and the Security Trustee;
- (B) the Modification Certificate in relation to such modification shall be provided to the Note Trustee and the Security Trustee both at the time the Note Trustee and the

Security Trustee are notified of the proposed modification and on the date that such modification takes effect;

- (C) the written consent of each Secured Creditor which is party to the relevant Transaction Document has been obtained; and
- (D) the Note Trustee is satisfied that it has been or will be reimbursed all costs, fees and expenses (including reasonable and properly incurred legal fees) incurred by it in connection with such modification,

and provided further that:

- (E) other than in the case of a modification pursuant to Condition 11.8(a)(ii) above, either:
  - I. the Issuer obtains from each of the Rating Agencies a Rating Agency Confirmation; or
  - II. the Issuer certifies in the Modification Certificate that it has informed the Rating Agencies of the proposed modification and none of the Rating Agencies has indicated that such modification would result in a downgrade, qualification or withdrawal of the then current ratings assigned to any Class of the Notes by such Rating Agency; and
- (F) The Issuer certifies in writing to the Note Trustee (which certification may be in the Modification Certificate) that in relation to such modification (I) the Issuer has provided at least 30 days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 14 (Notice to Noteholders) and by publication on Bloomberg on the "Company News" screen relating to the Notes, in each case specifying the date and time by which Noteholders must respond, and has made available at such time the modification documents for inspection at the registered office of the Note Trustee for the time being during normal business hours, and (II) Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period notifying the Issuer that such Noteholders do not consent to the modification.

If Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have notified the Issuer in accordance with the notice provided above and the then current practice of any applicable clearing system through which such Notes 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 Noteholders of the Most Senior Class of Notes then outstanding is passed in favour of such modification in accordance with Schedule 3 (*Provisions for Meetings of Noteholders*).

Objections made in writing other than through the applicable clearing system must be accompanied by evidence to the Issuer's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

- 11.9 Other than where specifically provided in Condition 11.8:
- (a) when implementing any modification pursuant to Condition 11.8 (save to the extent the Note Trustee considers that the proposed 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 further investigation on any certificate or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to Condition 11.8 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; and
  - (b) the Note Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Note Trustee would have the effect of (i) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protection, of the Note Trustee in the Transaction Documents and/or these Conditions.
- 11.10 The Note Trustee may also, without the consent of the Noteholders or the other Secured Creditors, if it is of the opinion that such determination will not be materially prejudicial to the interests of the Noteholders or the other Secured Creditors, determine that an Event of Default or Potential Event of Default shall not, or shall not subject to specified conditions, be treated as such.
- 11.11 Any such modification, waiver, authorisation or determination pursuant to Conditions 11.7 and 11.8 shall be binding on the Noteholders and the other Secured Creditors and, unless the Note Trustee agrees otherwise, any such modification shall be notified by the Issuer as soon as practicable thereafter to:
- (a) so long as any of the Senior Notes remain outstanding, each Rating Agency; and
  - (b) the Noteholders in accordance with Condition 14 (Notice to Noteholders).
- 11.12 Notwithstanding Conditions 11.7 to 11.11 above, the Issuer may modify the terms of the Collections Account Declaration of Trust without the consent of the Note Trustee provided that such modification is made in accordance with the terms of the Collections 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 the Collections Account Declaration of Trust may 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 the Collections Account Declaration of Trust). Condition 11.11 above shall not apply to a modification made to the Collections Account Declaration of Trust in accordance with the terms of this Condition 11.12.
- 11.13 In connection with any such substitution of principal debtor referred to in Condition 6.2 (Optional redemption for taxation or other 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.
- 11.14 The Note Trustee shall be entitled to take into account, for the purpose of exercising or performing any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, among other things, to the extent that it considers, in its sole and absolute discretion, it is necessary and/or appropriate and/or relevant, any communication or confirmation by any Rating Agency (including any Rating Agency Confirmations and whether or not

such communication or confirmation is addressed to, or provides that it may be relied upon by, the Note Trustee and irrespective of the method by which such confirmation is conveyed) (a) that the then current rating by it of the Class A Notes and/or the Class B Notes would not be downgraded, withdrawn or qualified by such exercise or performance and/or (b) if the original rating of the Class A Notes and/or the Class B Notes has been downgraded previously, that such exercise or performance will not prevent the restoration of such original rating of such class of Notes.

- 11.15 Where, in connection with the exercise or performance by each of them of any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents (including, without limitation, in relation to any modification, waiver, authorisation, determination or substitution as referred to above), the Note Trustee is required to have regard to the interests of the Noteholders of any class, it shall have regard to the general interests of the Noteholders of such class as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Note Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Note Trustee or the Security Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders.

## **12. INDEMNIFICATION AND EXONERATION OF THE NOTE TRUSTEE AND THE SECURITY TRUSTEE**

The Trust Deed and the Deed of Charge contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and the Security Trustee respectively and providing for their indemnification in certain circumstances, including provisions relieving them from taking action or, in the case of the Security Trustee, enforcing the security constituted by the Deed of Charge unless indemnified and/or pre-funded and/or secured to their satisfaction.

The Trust Deed and the Deed of Charge also contain provisions pursuant to which the Note Trustee and the Security Trustee are entitled, inter alia (a) to enter into business transactions with the Issuer and/or any other party to any of the Transaction Documents and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any other party to any of the Transaction Documents, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

## **13. REPLACEMENT OF GLOBAL NOTES**

If any Global Note is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent. Replacement of any mutilated, defaced, lost, stolen or destroyed Global Note will only be made on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. A mutilated or defaced Global Note must be surrendered before a new one will be issued.

## **14. NOTICE TO NOTEHOLDERS**

Any notice shall be deemed to have been duly given to (A) the Class A Noteholders if sent to the Clearing Systems for communication by them to the holders of the Class A Notes and shall be

deemed to be given on the date on which it was so sent, (B) the Class B Noteholders if sent to the Clearing Systems for communication by them to the holders of the Class B Notes and shall be deemed to be given on the date on which it was so sent and (C) the Subordinated Noteholders if sent to the Registrar and (so long as the relevant Notes are admitted to trading and listed on the official list of the Irish Stock Exchange), any notice shall also be published in accordance with the relevant guidelines of the Irish Stock Exchange by a notification in writing to the Company Announcement Office of the Irish Stock Exchange.

## **15. SUBORDINATION BY DEFERRAL OF INTEREST**

### **15.1 Deferred Interest**

To the extent that, subject to and in accordance with the relevant Priority of Payments, the funds available to the Issuer to pay interest on any Class (or sub-class) of Notes (other than the Most Senior Class of Notes then outstanding) on an Interest Payment Date (after deducting the amounts paid senior to such interest under the Pre-Acceleration Revenue Priority of Payments are insufficient to pay the full amount of such interest, payment of the shortfall attributable to such Class (or sub-class) of Notes (**Deferred Interest**) will not then fall due but will instead be deferred until the first Interest Payment Date for such Notes thereafter on which sufficient funds are available (after deducting the amounts paid senior to such interest under the Pre-Acceleration Revenue Priority of Payments and subject to and in accordance with the relevant Priority of Payments) to fund the payment of such deferred interest to the extent of such available funds.

Such Deferred Interest will accrue interest (**Additional Interest**) at the rate of interest applicable from time to time to the applicable Class (or sub-class) of Notes and payment of any Additional Interest will also be deferred until the first Interest Payment Date for such Notes thereafter on which funds are available (after deducting the amounts referred to in **items (a) to (I)** (inclusive) of the Pre-Acceleration Revenue Priority of Payments subject to and in accordance with the relevant Priority of Payments) to the Issuer to pay such Additional Interest to the extent of such available funds.

Amounts of Deferred Interest and Additional Interest shall not be deferred beyond the Final Maturity Date of the applicable Class (or sub-class) of Notes, when such amounts will become due and payable.

Payments of interest due on an Interest Payment Date in respect of the Most Senior Class of Notes then outstanding will not be deferred. In the event of the delivery of a Note Acceleration Notice, the amount of interest in respect of such Notes that was due but not paid on such Interest Payment Date will itself bear interest at the applicable rate until both the unpaid interest and the interest on that interest are paid as provided in the Trust Deed.

### **15.2 Principal on the Class B Notes and the Subordinated Notes**

All payments of principal on the Class B Notes and the Subordinated Notes shall be made in accordance with the relevant Priority of Payments.

### **15.3 General**

Any amounts of interest in respect of the Class B Notes or the Subordinated Notes otherwise payable under these Conditions which are not paid by virtue of this Condition 15 (Subordination by Deferral of Interest), together with accrued interest thereon, shall in any event become due and payable on the Final Maturity Date or on such earlier date as the Class B Notes or the Subordinated Notes become due and repayable in full under Condition 6 (Redemption) or if applicable, Condition 9 (Events of Default).



#### **15.4 Notification**

As soon as practicable after becoming aware that any part of a payment of interest on the Class B Notes and/or the Subordinated Notes will be deferred or that a payment previously deferred will be made in accordance with this Condition 15 (Subordination by Deferral of Interest), the Issuer will give notice thereof to the Class B Noteholders and/or the Subordinated Noteholders, as applicable in accordance with Condition 14 (Notice to Noteholders).

#### **15.5 Application**

This Condition 15 (Subordination by Deferral of Interest) shall cease to apply in respect of the Subordinated Notes, upon the redemption in full of all Class A Notes and Class B Notes.

#### **16. GOVERNING LAW**

Each of the Trust Deed, the Global Notes and these Conditions (and, in each case, any non-contractual obligations arising out of or in connection with the relevant document) is governed by, and shall be construed in accordance with, English law.

#### **17. RIGHTS OF THIRD PARTIES**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes or these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

**PRINCIPAL PAYING AGENT**  
Elavon Financial Services Limited  
5th Floor  
125 Old Broad Street  
London EC2N 1AR  
United Kingdom

**REGISTRAR**  
Elavon Financial Services Limited.  
Block E, Cherrywood Business Park  
Loughlinstown, Dublin  
Ireland

**AGENT BANK**  
Elavon Financial Services Limited.  
5th Floor  
125 Old Broad Street  
London EC2N 1AR  
United Kingdom

and/or such other or further Principal Paying Agent and other Agents and/or Specified Offices as may from time to time be appointed by the Issuer with the approval of the Note Trustee and notice of which has been given to the Noteholders.

## **SUMMARY OF PROVISIONS RELATING TO THE CLASS A NOTES AND THE CLASS B NOTES (WHILE IN GLOBAL FORM) AND THE SUBORDINATED NOTES**

### **General**

The Class A Notes and the Class B Notes, as at the Closing Date, will each initially be represented by a Temporary Global Note. All capitalised terms not defined in this paragraph shall be as defined in the Conditions of the Notes.

The Temporary Global Notes will be deposited on or about the Closing Date on behalf of the subscribers for the Class A Notes and the Class B Notes respectively, with the Clearing Systems as Common Safekeeper. Upon deposit of the Class A Temporary Global Note, the Clearing Systems will credit each subscriber of the Class A Notes with the principal amount of the Class A Notes of the relevant class equal to the aggregate principal amount thereof for which the subscriber will have subscribed and paid. Upon deposit of the Class B Temporary Global Note, the Clearing Systems will credit each subscriber of the Class B Notes with the principal amount of the Class B Notes of the relevant class equal to the aggregate principal amount thereof for which the subscriber will have subscribed and paid. Interests in the Temporary Global Notes are exchangeable on and after the date which is 40 days after the Closing Date, upon certification of non-U.S. beneficial ownership by the relevant Class A Noteholder or the relevant Class B Noteholder, for interests recorded in the records of the Clearing Systems in a Permanent Global Note.

### **Payments on Global Notes**

Payments in respect of principal and interest in respect of any Global Note will be made only against presentation of such Global Note to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Noteholders in accordance with Condition 14 (Notice to Noteholders) for such purpose, subject, in the case of any Temporary Global Note, to certification of non-US beneficial ownership as provided in such Temporary Global Note. Each payment of principal or interest made in respect of a Global Note will be recorded by the Clearing Systems in their records (which records are the records each relevant Clearing System holds for its customers which reflect such customers' interest in the Class A Notes and the Class B Notes) and such records shall be *prima facie* evidence that the payment in question has been made. No person appearing from time to time in the records of either of the Clearing Systems as the holder of a Note shall have any claim directly against the Issuer in respect of payments due on such Note whilst such Note is represented by a Global Note and the Issuer shall be discharged by payment of the relevant amount to the bearer of the relevant Global Note. The Issuer shall procure that each payment shall be entered *pro rata* in the records of the relevant Clearing Systems but any failure to make such entries shall not affect the discharge referred to above.

Payments will be made, in respect of the Class A Notes and the Class B Notes by credit or transfer to an account in sterling maintained by the payee with a bank in London.

Payments in respect of principal and interest on the Class A Notes and the Class B Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment.

A holder shall be entitled to present a Global Note for payment only on a Presentation Date and shall not, except as provided in Condition 4 (Interest), be entitled to any further interest or other payment if a Presentation Date is after the due date.

## **Information Regarding Euroclear and Clearstream, Luxembourg**

*Euroclear and Clearstream, Luxembourg have advised the Issuer as follows:*

Euroclear and Clearstream, Luxembourg each hold securities for their account holders and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders, thereby eliminating the need for physical movements of certificates and any risk from lack of simultaneous transfers of securities.

Euroclear and Clearstream, Luxembourg each provide various services, including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deal with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and of Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective account holders may settle trades with each other.

Account holders in both Euroclear and Clearstream, Luxembourg are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to both Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

An account holder's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under such rules and operating procedures only on behalf of their respective account holders, and have no record of or relationship with persons holding through their respective account holders.

The Issuer understands that under existing industry practices, if any of the Issuer, the Note Trustee or the Security Trustee requests any action of Noteholders or if a Noteholder desires to give instructions or to take any action that a Noteholder is entitled to give or take under the Trust Deed or the Deed of Charge, Euroclear or Clearstream, Luxembourg, as the case may be, would authorise the participants to give instructions or take such action, and such participants would authorise indirect participants to give or take such action or would otherwise act upon the instructions of such indirect participants.

### **Redemption**

In the event that any Global Note (or portion thereof) is redeemed, the Principal Paying Agent will deliver all amounts received by it in respect of the redemption of such Global Note to or to the order of the common safekeeper and, upon final payment, will surrender such Global Note (or portion thereof) to or to the order of the Principal Paying Agent for cancellation. The redemption price payable in connection with the redemption will be equal to the amount received by the Principal Paying Agent in connection with the redemption of the Global Note (or portion thereof) relating thereto. Any redemptions of a Global Note in part will be made by Euroclear or Clearstream, Luxembourg, as the case may be, on a *pro rata* basis (or on such basis as Euroclear or Clearstream, Luxembourg, as the case may be, deems fair and appropriate). Upon any redemption in part, the Principal Paying Agent will mark down the schedule to such Global Note by the principal amount so redeemed.

### **Cancellation**

Cancellation of any Note represented by a Global Note and required by the Conditions to be cancelled following its redemption will be effected by endorsement by or on behalf of the Principal Paying Agent of the reduction in the principal amount of the relevant Global Note on the relevant schedule thereto and on the corresponding entry on the register.

## **Transfers and Transfer Restrictions**

All transfers of Book-Entry Interests will be recorded in accordance with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures established by each respective system and its participants. See "*General*", above.

## **Issuance of Definitive Notes**

If, while any of the Class A Notes or the Class B Notes are represented by a Permanent Global Note, (a) either of the Clearing Systems is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no other clearing system acceptable to the Note Trustee is then in existence or (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political sub-division thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will on the next Interest Payment Date (as defined below) be required to make any deduction or withholding from any payment in respect of such Class A Notes or Class B Notes which would not be required were such Class A Notes or Class B Notes in definitive form, then the Issuer will issue Definitive Notes in exchange for such Permanent Global Note (free of charge to the persons entitled to them) within 30 days of the occurrence of the relevant event. The Conditions and the Transaction Documents will be amended in such manner as the Note Trustee and the Security Trustee require to take account of the issue of Definitive Notes.

Any Class A Notes or Class B Notes issued in definitive form will be issued in definitive bearer form in the denominations set out in the Conditions and will be subject to the provisions set forth under "*Transfers and Transfer Restrictions*" above. The Subordinated Notes will be issued in definitive registered form and will be subject to the provisions set forth under "*Transfers and Transfer Restrictions*" above.

## **Notices and Reports**

With respect to the Class A Notes and the Class B Notes, the Issuer will send to Euroclear and Clearstream, Luxembourg a copy of any notices and reports received relating to the Issuer, the Global Notes or the Book-Entry Interests. Any notice shall be deemed to have been duly given to the relevant Noteholders if sent to the Clearing Systems for communication by them to the holders of the Class A Notes or the Class B Notes and shall be deemed to be given on the date on which it was so sent and (so long as the relevant Class A Notes or Class B Notes are admitted to trading and listed on the official list of the Irish Stock Exchange) any notice shall also be published in accordance with the relevant guidelines of the Irish Stock Exchange by a notification in writing to the Company Announcements Office of the Irish Stock Exchange.

With respect to the Subordinated Notes, the Issuer will send a copy of any notices and reports received relating to the Issuer and the Subordinated Notes to the Registrar, in accordance with the Conditions. Any notice shall be deemed to have been duly given to the relevant Noteholders if sent in accordance with the Conditions.

## TAXATION

### UNITED KINGDOM TAXATION

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

#### **Interest on the Notes**

##### *Payment of Interest on the Notes*

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

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

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

HMRC has powers to obtain information and documents relating to the Notes, including in relation to issues of and other transactions in the Notes, interest, payments treated as interest and other payments derived from the Notes. This may include details of the beneficial owners of the Notes, of the persons for whom the Notes are held and of the persons to whom payments derived from the Notes are or may be paid. Information may be obtained from a range of persons including persons who effect or are a party to such transactions on behalf of others, registrars and administrators of such transactions, the registered holders of the Notes, persons who make, receive or are entitled to receive payments derived from the Notes and persons by or through whom interest and payments treated as interest are paid or credited. Information obtained by HMRC may be provided to tax authorities in other jurisdictions.

#### **EU SAVINGS DIRECTIVE**

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income

paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

### **FOREIGN ACCOUNT TAX COMPLIANCE ACT**

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or **FFI** (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed-compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of the Issuer (a **Recalcitrant Holder**). The Issuer may be classified as an FFI.

The new withholding regime is in effect for payments from sources within the United States and will apply to **foreign passthru payments** (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Notes 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 after the grandfathering date, which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified after the **grandfathering date** and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a **Reporting FI** not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction generally would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **FATCA Withholding**) from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain

information in respect of its account holders and investors to its home government or to the IRS. The United States and the United Kingdom have entered into an agreement (the **US-UK IGA**) based largely on the Model 1 IGA.

The Issuer expects to be treated as a Reporting FI pursuant to the US-UK IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI or that it would in the future not be required to deduct FATCA Withholding from payments it makes. The Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

Whilst the Class A Notes and the Class B Notes are in global form and held within the clearing systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Class A Notes or the Class B Notes by the Issuer, any paying agent and the Common Safekeeper, given that each of the entities in the payment chain between the Issuer (and, for the avoidance of doubt, excluding the Issuer) and the participants in the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Class A Notes and the Class B Notes may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, Definitive Notes will only be printed in remote circumstances.

**FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.**



## SUBSCRIPTION AND SALE

The Joint Lead Managers and the Co-Managers have, pursuant to a subscription agreement dated on or about 17 October 2014 between the Joint Lead Managers, the Co-Managers, the Seller and the Issuer (the **Subscription Agreement**), agreed with the Issuer (subject to certain conditions) to subscribe or procure the subscription and payment for and pay for the Class A Notes at the issue price of 100 per cent. of the Initial Principal Amount of the Class A Notes, the Joint Lead Managers and the Co-Managers have, pursuant to the Subscription Agreement, agreed with the Issuer (subject to certain conditions) to subscribe or procure the subscription and payment for and pay for the Class B Notes at the issue price of 100 per cent. of the Initial Principal Amount of the Class B Notes and GMAC UK plc has agreed, pursuant to the Subscription Agreement, with the Issuer (subject to certain conditions) to subscribe and pay for the Subordinated Notes at the issue price of 100 per cent. of the Initial Principal Amount of the Subordinated Notes.

The Joint Lead Managers and the Co-Managers may sell any of the Notes to subsequent purchasers in individually negotiated transactions at negotiated prices which may vary among different purchasers and which may be greater or less than the issue price of the Notes.

The Issuer has agreed to indemnify the Joint Lead Managers and the Co-Managers against certain liabilities and to pay certain costs and expenses in connection with the issue of the Notes.

Other than admission of the Notes to the Official List of the Irish Stock Exchange and to trading on its regulated market, no action has been taken by the Issuer or the Joint Lead Managers or the Co-Managers which would or has been intended to permit a public offering of the Notes, or possession or distribution of this Prospectus or other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required.

This Prospectus does not constitute, and may not be used for the purpose of, an offer or a solicitation by anyone to subscribe for or purchase any of the Notes in or from any country or jurisdiction where such an offer or solicitation is not authorised or is unlawful.

Pursuant to the Subscription Agreement, GMAC UK plc as seller has covenanted that it will retain a material net economic interest of not less than 5 per cent. in the securitisation in accordance with the text of each of paragraph (d) of Article 405(1) of the Capital Requirements Regulation and paragraph (d) of Article 51(1) of the AIFM Regulation. As at the Closing Date, such interest will be comprised of an interest in the first loss tranche as required by the text of each of paragraph (d) of Article 405(1) and paragraph (d) of Article 51(1) (comprising the Subordinated Notes). Any change to the manner in which such interest is held will be notified to the Noteholders.

### **United States**

The Notes have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from registration requirements. Accordingly, the Notes are being offered and sold in offshore transactions in reliance on Regulation S.

Each of the Joint Lead Managers and the Co-Managers has agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Notes as part of its distribution at any time or otherwise until 40 days after the later of the commencement of the offering and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each affiliate or other dealer (if any) to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. See "*Transfer Restrictions*", below.

The Class A Notes and the Class B Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, and Treasury regulations promulgated thereunder.

### **United Kingdom**

Each of the Joint Lead Managers and the Co-Managers has represented to and agreed with the Issuer that:

- (a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in any activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Each of the Joint Lead Managers and the Co-Managers has acknowledged that, save for having obtained the approval of the Prospectus as a prospectus in accordance with Part VI of the FSMA, and having applied for the admission of the Notes to the Official List of the Irish Stock Exchange and to trading on its regulated market, no further action has been or will be taken in any jurisdiction by the Joint Lead Managers or the Co-Managers that would, or is intended to, permit a public offering of the Notes, or possession or distribution of the Prospectus or any other offering material in relation to the Notes, in any country or jurisdiction where such further action for that purpose is required.

### **France**

Each of the Joint Lead Managers and the Co-Managers has represented to and agreed with the Issuer that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties and/or (b) qualified investors (*investisseurs qualifiés*), (other than individuals) as defined in, and in accordance with, Articles D.411-1 and following of the French *Code monétaire et financier*.

### **European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each of the Joint Lead Managers and the Co-Managers has represented and agreed with the Issuer that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**), it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Prospectus to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Joint Lead Managers and Co-Managers; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Joint Lead Manager or Co-Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression **an offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

### **General**

Each of the Joint Lead Managers and the Co-Managers has undertaken that it will not, directly or indirectly, offer or sell any Notes 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 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 by it will be made on the same terms.

## TRANSFER RESTRICTIONS

### Offers and Sales by the Joint Lead Managers and the Co-Managers

The Notes (including with respect to the Class A Notes and the Class B Notes interests therein represented by a Global Note or a Book-Entry Interest and with respect to the Class A Notes, the Class B Notes and the Subordinated Notes, a Definitive Note) have not been and will not be registered under the Securities Act or any state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to such registration requirements. Accordingly, the Notes are being offered and sold in offshore transactions pursuant to Regulation S.

### Investor Representations and Restrictions on Resale

Each purchaser of the Notes (which term for the purposes of this section will be deemed to include any interests in the Notes, including Book-Entry Interests) will be deemed to have represented and agreed, as follows, that:

- (a) the Notes have not been and will not be registered under the Securities Act and such Notes are being offered only in a transaction that does not require registration under the Securities Act and, if such purchaser decides to resell or otherwise transfer such Notes, then it agrees that it will offer, resell, pledge or transfer such Notes only (i) to a purchaser who is not a U.S. person (as defined in Regulation S) or an affiliate of the Issuer or a person acting on behalf of such an affiliate, and who is not acquiring the Notes for the account or benefit of a U.S. person and who is acquiring the Notes in an offshore transaction pursuant to an exemption from registration in accordance with Rule 903 or Rule 904 of Regulation S or (ii) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States or (iii) pursuant to another exemption from the registration requirements of the Securities Act; provided that the agreement of such purchaser is subject to any requirement of law that the disposition of the purchaser's property shall at all times be and remain within its control;
- (b) unless the relevant legend set out below has been removed from the Notes, such purchaser shall notify each transferee of Notes (as applicable) from it that (i) such Notes have not been registered under the Securities Act, (ii) the holder of such Notes is subject to the restrictions on the resale or other transfer thereof described in paragraph (a) above, (iii) such transferee shall be deemed to have represented that such transferee is acquiring the Notes in an offshore transaction and that such transfer is made pursuant to an exemption from registration in accordance with Rule 903 or Rule 904 of Regulation S and (iv) such transferee shall be deemed to have agreed to notify its subsequent transferees as to the foregoing;
- (c) the Issuer, the Joint Lead Managers, the Co-Managers and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

The Notes bear a legend to the following effect:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES OR ANY OTHER RELEVANT JURISDICTION AND IS SUBJECT TO UNITED STATES TAX LAW REQUIREMENTS, AND, AS A MATTER OF U.S. LAW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) (1) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (2) OTHERWISE PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE

OFFERING OF THE NOTES AND THE CLOSING OF THE OFFERING OF THE NOTES, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND OTHERWISE IN ACCORDANCE WITH UNITED STATES TAX LAW REQUIREMENTS."

*Because of the foregoing restrictions, purchasers of Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such securities offered and sold.*

## GENERAL INFORMATION

1. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List of the Irish Stock Exchange and to trading on its regulated market, subject only, in the case of the Notes, to the issue of the Global Notes of the Class A Notes and Global Notes of the Class B 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 the Irish Stock Exchange and admission to trading on its regulated market is approximately EUR 5,541.20.
2. Walkers Listing & Support 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 the Irish Stock Exchange or to trading on its regulated market for the purposes of the Prospectus Directive.
3. None of the Issuer or Holdings is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or Holdings respectively is aware) since 24 July 2014 (being the date of incorporation of the Issuer and Holdings) which may have, or have had in the recent past, significant effects upon the financial position or profitability of the Issuer or Holdings (as the case may be).
4. For so long as the Notes are admitted to the Official List of the Irish Stock Exchange and to trading on its regulated market, the Issuer shall maintain a Paying Agent in the United Kingdom.
5. The issue of the Notes was authorised pursuant to a resolution of the Board of Directors of the Issuer passed on 11 September 2014.
6. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg under the following ISIN and Common Code:

Notes	Common Code	ISIN
Class A	110366183	XS1103661838
Class B	110367244	XS1103672447
Subordinated Notes	N/A	N/A

7. From the date of this Prospectus and for so long as the Notes are admitted to the Official List of the Irish Stock Exchange 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): the Trust Deed, the Agency Agreement, the Servicing Agreement, the Back-Up Servicing Agreement, the Cash Management Agreement, the Calculation Agency Agreement, the Account Bank Agreement, the Deed of Charge, the Master Definitions Schedule, the Receivables Sale and Purchase Agreement, the Subordinated Loan Agreement, the Swap Agreement, the Corporate Services Agreement and the Memorandum and Articles of Association of the Issuer.
8. The Cash Manager, on behalf of the Issuer, will publish the Monthly Investor Report detailing, *inter alia*, certain aggregated data in relation to the Portfolio. The Monthly Investor Report will also be made available, *inter alia*, to the Rating Agencies. Other than as outlined above, the Issuer does not

intend to provide post-issuance transaction information relating to the Notes or the Underlying Agreements.

9. The Issuer confirms that the Underlying Agreements backing the issue of the Notes have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes. However, investors are advised that this confirmation is based on the information available to the Issuer at the date of this Prospectus and may be affected by the future performance of such assets backing the issue of the Notes. Consequently investors are advised to review carefully any disclosure in the Prospectus together with any amendments or supplements thereto.
10. Since its date of incorporation, the Issuer has not commenced operations and no financial statements have been made up as at the date of this Prospectus.
11. The following legend will appear on all Class A Notes and all Class B Notes and on all receipts and interest coupons relating to such Notes: "ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."
12. The language of the prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

## GLOSSARY OF TERMS

*These and other terms used in this document are subject to, and in some cases are summaries of, the definitions of such terms set out in the Transaction Documents, as they may be amended from time to time.*

**Account Bank** means, as at the Closing Date, Elavon Financial Services Limited, acting through its UK Branch from its offices at 5th Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom;

**Account Bank Agreement** means the account bank agreement dated on or about the Closing Date among the Issuer, the Cash Manager, the Account Bank, the Servicer and the Security Trustee;

**Account Bank Ratings** means all of the following ratings:

- (a) short-term, unsecured, unguaranteed and unsubordinated debt obligations rating of at least A-1 by S&P (if a short-term rating is assigned by S&P);
- (b) long-term, unsecured and unsubordinated debt or counterparty obligations ratings of at least A by S&P (or A+ by S&P with respect to the long-term unsecured, unsubordinated and unguaranteed debt obligations, if the short-term unsecured, unsubordinated and unguaranteed debt obligations are not rated by S&P);
- (c) long-term, unsecured and unsubordinated debt or counterparty obligations ratings of at least A3 by Moody's; and
- (d) long-term, unsecured and unsubordinated debt or counterparty obligations ratings of at least A by DBRS,

or such other ratings that are consistent with the then published criteria of the relevant Rating Agency as being the minimum ratings that are required to support the then rating of the Class A Notes and the Class B Notes;

**Actuarial Method** means the method of allocating a payment due under or in respect of a Underlying Agreement between principal and income as determined by the Originator which shall be consistently applied by the Originator at each use and be consistent with the Actuarial Method applied at each Closing Date;

**Administrator** means any person (being a licensed insolvency practitioner) who is appointed by the Security Trustee (whether out of court or otherwise) to act jointly, independently, or jointly and severally, as an administrator of the Issuer or of all or any part of the Charged Property;

**Administrator Incentive Recovery Fee** means the fee (inclusive of VAT) payable to the Insolvency Official of the Seller following an Insolvency Event of the Seller in relation to the sale of the relevant Vehicles in an amount equal to (i) the reasonable costs and expenses of such insolvency official (including any Irrecoverable VAT in respect thereof) incurred in relation to the sale of such Vehicles plus (ii) a percentage of the corresponding vehicle realisation proceeds to be (x) 1 per cent. of the relevant vehicle realisation proceeds or (y) at any time thereafter, as may be agreed by the Servicer with the Insolvency Official of the Seller pursuant to the Servicing Agreement (up to a maximum amount of 1 per cent. of the relevant Vehicle realisation proceeds);

**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; and the terms **holding company** and **subsidiary** shall have the meaning given to them by the Companies Act 2006;



**Agency Agreement** means the agency agreement dated on or about the Closing Date among, *inter alios*, the Issuer, the Paying Agents, the Agent Bank, the Note Trustee and the Security Trustee;

**Agent Bank** means the person appointed as agent bank from time to time under the Agency Agreement who, as at the Closing Date, is Elavon Financial Services Limited, acting through its UK Branch from its offices at 5th Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom;

**Agents** means the Paying Agents, the Registrar and the Agent Bank or, where the context requires, any of them;

**Amount Financed** means with respect to a Purchased Receivable, the aggregate amount advanced in respect of such Receivable toward the purchase price of the Vehicle, less, in respect of such Purchased Receivable, payments received from the relevant Customer prior to the Cut-off Date allocable to Principal Element;

**Ancillary Products** means guaranteed asset protection insurance and/or a cosmetic warranty that certain Customers when entering into an Underlying Agreement agreed to take out and which may be financed by the Underlying Agreement.

**Ancillary Rights** means in relation to each Purchased Receivable:

- (a) the right to demand, sue for, recover, receive and give receipts for all amounts due (whether or not from the relevant Customer) under, relating to or in connection with the Underlying Agreement from which such Receivable derives;
- (b) the benefit of all covenants and undertakings from the relevant Customer and from any guarantor under, relating to or in connection with the Underlying Agreement from which such Receivable derives;
- (c) the benefit of all causes of action against the relevant Customer and any guarantor under, relating to or in connection with the Underlying Agreement from which such Receivable derives;
- (d) the right to receive the Vehicle Sales Proceeds;
- (e) the benefit of any other rights, title, interests, powers or benefits of the Seller in relation to the Underlying Agreement from which such Receivable derives, other than title to the Vehicle (including any claims in respect of an Ancillary Product and against a Dealer in respect of a Vehicle or related 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 Customer) agrees to make any payment to the Seller in respect of that Customer's obligations under the relevant Underlying Agreement or to provide any security therefor and **guarantors** shall be construed accordingly;

**Annual Percentage Rate or APR** means, with respect to a Receivable, the annual rate of finance charges stated in such Receivable;

**Appointee** means any attorney, manager, agent, delegate, nominee, custodian or other person appointed by the Note Trustee under the Trust Deed;

**Auditors** means the auditors from time to time of the Seller being, as at the Closing Date, Deloitte LLP;

**Authorised Investments** means:

- (a) Sterling gilt-edged securities; and
- (b) Sterling demand or time deposits, certificates of deposit and short-term debt obligations (including commercial paper),

provided that in all cases such investments will only be made such that there is no withholding or deduction for or on account of taxes applicable thereto and such investments (i) have a maturity date on or before the immediately following Interest Payment Date, (ii) may be broken or demanded by the Issuer (with no reduction in the value of such investment and at no cost to the Issuer) on or before the next following Interest Payment Date (iii) do not include any contractual provisions that would permit a redemption of such authorised investments in an amount less than the amount paid for such investments by the Issuer and (iv) are rated at least P-1 by Moody's, A-1 by S&P and R-1 (middle) by DBRS (and A2 (long-term) by Moody's and A by DBRS if the investments have a long-term rating);

**Available Principal Receipts** means an amount equal to the sum of:

- (a) all Principal Receipts received by the Issuer during the immediately preceding Calculation Period;
- (b) the amounts, if any, to be credited to the Principal Deficiency Ledger pursuant to items (i), (j) and (k) of the Pre-Acceleration Revenue Priority of Payments on the relevant Interest Payment Date;
- (c) the amount, if any, required to redeem in full the Class B Notes to be applied in accordance with item (h) of the Pre-Acceleration Revenue Priority of Payment on the Final Class B Interest Payment Date;
- (d) where the Seller repurchases the Final Receivables in accordance with the terms of the Receivables Sale and Purchase Agreement in respect of an exercise by the Issuer of the Clean Up Call, such amount of the Final Repurchase Price received by the Issuer on such Interest Payment Date representing the Outstanding Principal Balance of the Final Receivables as at such Interest Payment Date;
- (e) an amount equal to any Gross Recovery Amounts minus Net Recovery Amounts in respect of the immediately preceding Calculation Period; and
- (f) 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.

**Available Revenue Receipts** for each Interest Payment Date will be calculated by the Calculation Agent and communicated to the Cash Manager on or before the immediately preceding Calculation Date and will be an amount equal to the sum of:

- (a) all Revenue Receipts received by the Issuer during the immediately preceding Calculation Period;
- (b) interest received during the immediately preceding Calculation Period on the Issuer Bank Accounts (other than any Swap Collateral Account) and any income received during the immediately preceding Calculation Period relating to any Authorised Investments purchased from amounts standing to the credit of the Issuer Bank Accounts (other than any Swap Collateral Account);
- (c) all amounts then standing to the credit of the Liquidity Reserve Ledger;

- (d) amounts to be received by the Issuer under the Swap Agreement (other than any early termination amount or Replacement Swap Premium and any Swap Collateral, Swap Tax Credits, Excess Swap Collateral, or any other amount standing to the credit of the Swap Collateral Account);
- (e) notwithstanding item (d) above, (i) any early termination amount received from the Swap Counterparty in excess of the amount required and applied by the Issuer to purchase one or more replacement Swap Agreements, and (ii) any Replacement Swap Premium received from a replacement Swap Counterparty in excess of the amount required and applied to pay any outgoing Swap Counterparty;
- (f) the aggregate of all Available Principal Receipts (if any) which are (i) applied to make up any Revenue Deficiency on the relevant Interest Payment Date (only to the extent required after calculating any Revenue Deficiency) and (ii) any Surplus Available Principal Receipts;
- (g) any Start-up Costs Proceeds advanced under the Subordinated Loan to the extent that the Cash Manager determines that such amounts are not required to be applied to make payments in respect of any initial costs of the Issuer;
- (h) where the Seller repurchases the Final Receivables in accordance with the terms of the Receivables Sale and Purchase Agreement in respect of an exercise by the Issuer of the Clean Up Call, such amount of the Final Repurchase Price received by the Issuer on such Interest Payment Date representing amounts other than the Outstanding Principal Balance of the Final Receivables as at such Interest Payment Date;
- (i) any Net Recovery Amounts received in respect of the previous Calculation Period; and
- (j) 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,

but, for the avoidance of doubt, excluding any Issuer Profit Amount retained by the Issuer on any prior Interest Payment Date and any amounts which have been applied as Permitted Withdrawals by the Issuer during the immediately preceding Calculation Period.

**Back-Up Servicer** means CAPITA Customer Management Limited appointed pursuant to the terms of the Back-Up Servicing Agreement;

**Back-Up Servicing Agreement** means the agreement so named dated on or about the Closing Date between the Issuer, the Servicer, the Seller, the Back-Up Servicer and the Security Trustee;

**Bank of America Merrill Lynch** means Merrill Lynch International;

**Basic Terms Modification** means each of the following:

- (a) a modification of the date of maturity of any Notes or any other term which would have the effect of postponing any day for payment of interest thereon; or
- (b) reducing or cancelling the amount of principal or the rate of interest payable in respect of such Notes; or
- (c) altering the currency of payment of such Notes; or
- (d) altering the quorum or majority required in relation to passing a Basic Terms Modification;

**Block Voting Instruction** means an English language document issued by a Paying Agent in which:

- (a) it is certified that on the date thereof Notes (not being Notes in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction) are blocked in an account with a Clearing System and that no such Notes will cease to be so blocked until the first to occur of:
  - (i) the conclusion of the meeting specified in such Block Voting Instruction; and
  - (ii) the Notes ceasing with the agreement of the Paying Agent to be so blocked and the giving of notice by the Paying Agent to the Issuer in accordance with the Trust Deed of the necessary amendment to the Block Voting Instruction;
- (b) it is certified that each holder of such Notes has instructed such Paying Agent that the vote(s) attributable to the Notes so blocked should be cast in a particular way in relation to the resolution(s) to be put to such meeting and that all such instructions are, during the period commencing 48 Hours prior to the time for which such meeting is convened and ending at the conclusion or adjournment thereof, neither revocable nor capable of amendment;
- (c) the aggregate principal amount of the Notes so blocked is listed distinguishing with regard to each such resolution between those in respect of which instructions have been given that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
- (d) one or more persons named in such Block Voting Instruction (each hereinafter called a proxy) is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Notes so listed in accordance with the instructions referred to in (c) above as set out in such Block Voting Instruction;

**Book-Entry Interests** means the beneficial interests in the Global Notes;

**Business Day** means a day which is both a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and Brussels;

**Calculation Agency Agreement** means the calculation agency agreement dated on or about the Closing Date among the Issuer, the Servicer, the Seller, the Cash Manager and the Calculation Agent;

**Calculation Agent** means, as at the Closing Date, GMAC UK plc, acting through its offices at Heol-y-Gamlas, Parc Nantgarw, Treforest, Cardiff CF15 7QU United Kingdom and appointed pursuant to the Calculation Agency Agreement;

**Calculation Agent Termination Event** in respect of the Calculation Agent means any of:

- (a) an Insolvency Event in respect of the Calculation Agent;
- (b) the Calculation Agent entering into any voluntary arrangement, scheme or composition with creditors;
- (c) the Calculation Agent fails to perform or observe any of its material duties, obligations, covenants or services under the Calculation Agency Agreement or the Cash Management Agreement and such default is continuing unremedied or is not waived for a period of 10 Business Days after the earlier

of (A) the Calculation Agent becoming aware of such default or (B) receipt by the Calculation Agent of written notice from the Issuer or the Security Trustee requiring the same to be remedied.

**Calculation Date** means, the 12<sup>th</sup> day of each calendar month, except if such day is not a Business Day, in which case it shall be the next succeeding Business Day unless such day falls in the next month, in which case it shall be the preceding Business Day;

**Calculation Period** means the period from (and including) the first day of each calendar month to (but excluding) the first day of the following month;

**Calculation Report** means the report delivered by the Calculation Agent to the Issuer pursuant to the Calculation Agency Agreement;

**Capital Requirements Regulation** means Regulation (EU) No 575/2013;

**Cash Management Agreement** means the cash management agreement dated on or about the Closing Date among the Issuer, the Cash Manager, the Calculation Agent, the Account Bank and the Security Trustee;

**Cash Manager** means the person appointed as cash manager from time to time under the Cash Management Agreement, which on the Closing Date is Elavon Financial Services Limited;

**Cash Manager Termination Event** means any of:

- (a) the making of an order or the passing of a resolution for the administration, winding up, dissolution or other similar or analogous procedure in respect of such entity;
- (b) such entity entering into any voluntary arrangement, scheme or arrangement, composition or arrangement with creditors;
- (c) the appointment of any receiver, receiver and manager, manager, administrative receiver, administrator or liquidator or any similar or analogous official in respect of the whole or substantially the whole of the property of such entity;
- (d) the Cash Manager ceases or threatens to cease to carry on its business or a substantial part of its business or stops payment or threatens to stop payment of its debts or is deemed unable to pay its debts or becomes unable to pay its debts as they fall due;
- (e) the Cash Manager fails, for a continuous unremedied period of five Business Days, to make a deposit or a payment when required to be made by the Cash Manager under the Cash Management Agreement (subject to there being sufficient funds in the relevant Issuer Bank Account for such purpose and the Cash Manager having received all material information that is to be provided by any other party which is required for the Cash Manager to be able to perform its payment duties hereunder); or
- (f) the Cash Manager fails to perform or observe any of its material duties, obligations, covenants or services under the Cash Management Agreement and such default continues unremedied for a period of 60 days after the earlier of (I) the Cash Manager becoming aware of such default or (II) receipt by the entity of notice from the Issuer, the Calculation Agent or the Security Trustee requiring the same to be remedied.

**CCA or Consumer Credit Act** means the Consumer Credit Act 1974, as amended;

**CCA Compensation Amount** means the amount, calculated by the Servicer in accordance with the Servicing Agreement to compensate the Issuer for any loss caused as a result of a breach of the Receivables

Warranties arising as a result of any Purchased Receivables or Related Underlying Agreement (or part thereof) being determined illegal, invalid, non-binding or unenforceable under the CCA or the FSMA or subject to a right to cancel or a right to withdraw under the CCA;

**CCA Compensation Payment** means the payment made by the Seller to the Issuer to compensate the Issuer for any loss caused as a result of any Purchased Receivable or the Related Underlying Agreement (or part thereof) being determined illegal, invalid, non-binding or unenforceable under the CCA or the FSMA or subject to a right to cancel or a right to withdraw under the CCA as an amount equal to the CCA Compensation Amount;

**CCA Licence** means a licence under the CCA for licensable activity;

**Central Bank** means the Central Bank of Ireland;

**Charged Property** means all assets and property of the Issuer which is 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** means the Class A Notes, the Class B Notes or the Subordinated Notes or any combination of them;

**Class A Principal Deficiency Sub-ledger** means a sub-ledger on the Principal Deficiency Ledger in respect of the Class A Notes;

**Class A Noteholders** means the persons who are for the time being the holders of the Class A Notes;

**Class A Notes** means the £440,000,000 Class A Asset Backed Floating Rate Notes due September 2022;

**Class A Notes Interest Amount** means the amount of interest payable in respect of the Class A Notes;

**Class A Notes Principal Amount** means the Principal Amount Outstanding in respect of all Class A Notes on any date;

**Class A Temporary Global Note** has the meaning given to such term in the Conditions;

**Class B Principal Deficiency Sub-ledger** means a sub-ledger on the Principal Deficiency Ledger in respect of the Class B Notes;

**Class B Noteholders** means the persons who are for the time being the holders of the Class B Notes;

**Class B Notes** means the £16,800,000 Class B Asset Backed Floating Rate Notes due September 2022;

**Class B Notes Interest Amount** means the amount of interest payable in respect of the Class B Notes;

**Class B Notes Principal Amount** means the Principal Amount Outstanding in respect of all Class B Notes on any date;

**Class B Temporary Global Note** has the meaning given to such term in the Conditions;

**Clean Up Call** means the optional call granted pursuant to Condition 6.2(b);

**Clearing System** means Euroclear and Clearstream, Luxembourg;

**Clearstream, Luxembourg** means Clearstream Banking, *société anonyme*;

**Closing Date** means 20 October 2014 or such later date as may be agreed between the Issuer, the Seller and the Joint Lead Managers;

**Co-Managers** means (i) Commerzbank Aktiengesellschaft, Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Federal Republic of Germany and (ii) The Royal Bank of Scotland plc, 135 Bishopsgate, London EC2M 3UR, United Kingdom and **Co- Manager** means any of them;

**Collections** means, in respect of each Purchased Receivable, all amounts of cash received by the Servicer in respect of Purchased Receivables deriving from such Related Underlying Agreement or Ancillary Rights from the Customer or a third party on and from the Cut-off Date and, for the avoidance of doubt, any amounts representing the Vehicle Sales Proceeds);

**Collections Accounts** means the accounts held in the name of the Servicer into which amounts received in respect of the Purchased Receivables will be paid (each a **Collections Account**);

**Collections Account Bank** means, as at the Closing Date, Lloyds Bank plc, acting through its office at 25 Gresham Street, London EC2V 7HN;

**Collections Account Declaration of Trust** means the collections account declaration of trust dated 21 September 2010, as supplemented by supplemental deeds dated 18 December 2012, 16 July 2013, 18 October 2013, 18 March 2014 and as further supplemented by the fifth supplemental deed to the amended and restated collections account declaration of trust dated on or about the Closing Date between, among others, the Originator and the Security Trustee, whereby the Originator declares a trust over certain accounts;

**Common Safekeeper** means, in relation to the Class A Notes and the Class B Notes, the common safekeeper, as elected by the Principal Paying Agent pursuant to clause 2.6 of the Agency Agreement;

**Conditional Sale Agreement** means fixed interest rate, usually fully amortising level payment sale contracts entered into by the Seller and Customers, which are secured by retention of title over a Vehicle;

**Conditions** means the terms and conditions of the Notes set out in the Trust Deed and as may be modified in accordance with the Trust Deed and any reference to a particular numbered Condition shall be construed accordingly and references in the Conditions to paragraphs shall be construed as paragraphs of such Conditions;

**Core Services** means the services to be provided by the Back-Up Servicer under the Back-Up Servicing Agreement;

**Corporate Services Agreement** means the agreement dated on or about the Closing Date among, *inter alios*, the Issuer, Holdings, the Share Trustee and the Corporate Services Provider;

**Corporate Services Provider** means, as at the Closing Date, Structured Finance Management Limited whose registered office is at 35 Great St. Helen's, London EC3A 6AP, in its capacity as such under the Corporate Services Agreement;

**CPR** means constant per annum rates of prepayment;

**Credit and Collection Procedures** means the origination, credit and collection procedures employed by the Servicer from time to time in relation to the provision of Services;

**CRD IV** means the Capital Requirements Regulation together with the Capital Requirements Directive (the **CRD**);

**Customer** means a customer of the Seller who has executed one or more Related Underlying Agreements with the Seller;

**Cut-off Date** means 30 September 2014;

**DBRS** means DBRS Ratings Limited, or any successor to its ratings business;

**Dealer** means any person from whom the Seller purchases a Vehicle to form the subject matter of an Underlying Agreement;

**Deed of Charge** means the deed of charge dated the Closing Date between the Issuer, the Security Trustee and certain of the Secured Creditors;

**Defaulted Receivable** means, at any time, any Purchased Receivable which is accounted for as defaulted by the Servicer in accordance with the Credit and Collection Procedures;

**Defaulted Receivables Call Option** means the call option granted to the Seller pursuant to 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 Defaulted Receivables;

**Defaulted Receivables Call Option Recoveries** means, on a Calculation Date, any amount received by the Seller in the immediately preceding Calculation Period in relation to a Defaulted Receivable following transfer of such Defaulted Receivable to the Seller as a result of the Seller having exercised the Defaulted Receivables Call Option;

**Defaulted Receivables Payment** means, in respect of a Defaulted Receivable, an amount equal to (i) the Initial Defaulted Receivables Payment and (ii) an amount equal to any Defaulted Receivables Call Option Recoveries from the relevant Customer in excess of the Initial Defaulted Receivables Payment less an amount equal to any VAT that the Seller (or any company with which it is grouped for VAT purposes) is liable to account in respect of the sale of such related Vehicle (if any);

**Defaulting Party** has the meaning given to it in the 1992 ISDA Master Agreement;

**Deferred Purchase Price** means the consideration payable to the Seller in respect of the Receivables sold to the Issuer, which is due and payable under the terms of the Receivables Sale and Purchase Agreement in accordance with the relevant Priority of Payments in an amount equal to (prior to the service of a Note Acceleration Notice) Available Revenue Receipts to be applied on each Interest Payment Date less all amounts due in respect of items (a) to (r) of the Pre-Acceleration Revenue Priority of Payments and (following service of a Note Acceleration Notice) all amounts available to the Issuer to be applied in accordance with the Post-Acceleration Priority of Payments less all amounts due in respect of items (a) to (k) of the Post-Acceleration Priority of Payments, plus in each case the Permitted Withdrawals;

**Definitive Notes** means any Class A Notes or any Class B Notes issued in definitive bearer form and serially numbered pursuant to Condition 1.3 and any Subordinated Note;

**Delinquent Receivable** means, at any time, any Purchased Receivable in the Portfolio which is not a Defaulted Receivable (i) in respect of which all or part of any Monthly Payment is not paid on its Specified Interest Date and which remains unpaid in whole or in part for a period of 31 days or more from the Specified Interest Date to which such Monthly Payment relates (for the avoidance of doubt, all payments received in respect of any Purchased Receivable in the Portfolio shall be allocated first towards discharge of any arrears owing in respect of such Purchased Receivable, commencing with the earliest of such arrears) or (ii) which would be classified as a delinquent receivable in accordance with the applicable Credit and Collection Procedures;



**Discount Rate** means, in respect of any Purchased Receivable, the higher of:

- (a) 5.00 per cent. per annum; and
- (b) the Annual Percentage Rate applicable to such Purchased Receivable as calculated by the Servicer in accordance with the Actuarial Method;

**EEA** means the European Economic Area;

**Eligibility Criteria** means the eligibility criteria for the Purchased Receivables set out in the Receivables Sale and Purchase Agreement;

**Eligible Receivable** means a Receivable which satisfies the Eligibility Criteria and the Receivables Warranties;

**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 (as amended, modified and/or restated from time to time) and/or any supplementing regulations, provisions or regulatory or implementing technical standards (each as amended, modified and/or restated from time to time) being effected under or in connection with Regulation (EU) No 648/2012;

**Encumbrance** means any mortgage, sub-mortgage, security assignment or assignment, standard security, charge, sub-charge, pledge, lien, right of set-off or other encumbrance or security interest of any kind, however created or arising, including anything analogous to any of the foregoing under the laws of any jurisdiction but excludes (a) a right of counterclaim or (b) a right of set-off or analogous rights arising by contract or operation of law not constituting a mortgage, charge or other encumbrance under applicable law;

**English Receivables** means those Purchased Receivables contained in the Portfolio where the address of the Customer as set out in the Underlying Agreement at the time of origination is in England and Wales;

**EU** means the European Union;

**Euroclear** means Euroclear Bank S.A./N.V.;

**Event of Default** has the meaning given to it in Condition 9.1;

**Excess Recoveries Amount** means an amount equal to any amounts received by the Issuer which is in excess of the aggregate of amounts due by a Customer in respect of a Purchased Receivable (including related fees and costs associated with any Recoveries) either as a result of any indemnity amounts received from Dealers, insurers or other third parties or following a Purchased Receivable becoming a Defaulted Receivable or a Voluntarily Terminated Receivable (including, but not limited to, any Vehicle Sales Proceeds);

**Excess Swap Collateral** means an amount equal to the value of the Swap Collateral (or the applicable part thereof) which is in excess of the Swap Counterparty's liability (prior to any netting in respect of the Swap Collateral) under the Swap Agreement as at the date of termination of the Swap Agreement or which it is otherwise entitled to have returned to it under the terms of the Swap Agreement;

**Excluded Receivables Amount** means all late payment fees, prepayment charges and other administrative fees and expenses or similar charges allowed by applicable law and which the Originator applies, in the ordinary course of its business, with respect to amounts owed in respect of any Purchased Receivables and any amount allocable to VAT in respect of the sale of a Vehicle;

**Excluded Rights** means any and all rights connected to any Excluded Receivables Amount;

**Extraordinary Resolution** means (a) a resolution passed at a Meeting duly convened and held in accordance with the Trust Deed by a majority consisting not less than three-fourths of the Eligible Persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting not less than three-fourths of the votes cast on such poll or (b) a resolution in writing signed by or on behalf of the Noteholders of not less than three-fourths in aggregate Principal Amount Outstanding of the Notes which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders;

**FCA** means the Financial Conduct Authority;

**Final Class B Interest Payment Date** means the Interest Payment Date on which the lower of (i) the amount which would be available after application of the Available Revenue Receipts on such date after taking into account the amounts to be applied in accordance with items (a) to (g) of the Pre-Acceleration Revenue Priority of Payments and (ii) the Liquidity Reserve Required Amount on the immediately preceding Interest Payment Date is greater than or equal to the aggregate of the Principal Amount Outstanding of the Class A Notes and Class B Notes or, where there are no Class A Notes outstanding, the Principal Amount Outstanding of the Class B Notes (taking into account amounts applied in accordance with the Pre-Acceleration Principal Priority of Payments (other than from the application of amounts contemplated in item (h) of the Pre-Acceleration Revenue Priority of Payments));

**Final Maturity Date** means the Interest Payment Date falling in September 2022;

**Final Receivables** means on any Interest Payment Date, all Purchased Receivables then owned by the Issuer;

**Final Redemption Date** means the Final Maturity Date or, if earlier, the date on which the Principal Amount Outstanding under the Notes has been repaid in full by the Issuer;

**Final Repurchase Price** means an amount equal to the higher of (i) the sum of (A) the Outstanding Principal Balance of such Final Receivables at the end of the immediately preceding Calculation Period and (B) all other amounts accrued due and payable under the Underlying Agreements from which the Final Receivables derive on or prior to the end of the immediately preceding Calculation Period which have not been paid and (ii) all amounts required to be paid on such Interest Payment Date in accordance with the relevant Priority of Payments (taking into account the redemption of the Notes in full) other than amounts due to the Seller in respect of Deferred Purchase Price less any Available Revenue Receipts and Available Principal Receipts to be applied on such Interest Payment Date;

**Fixed Rate Day Count Fraction** has the meaning given to it in Condition 4.4;

**FSMA** means the Financial Services and Markets Act 2000, as amended;

**GAAP** means generally accepted accounting principles in the United Kingdom;

**Global Notes** has the meaning given to that term in Condition 1.1;

**GMAC UK** means GMAC UK plc, a public company with limited liability incorporated in England and Wales (registered number 00275607) whose registered office is at Heol-y-Gamlas, Parc Nantgarw, Treforest, Cardiff CF15 7QU, United Kingdom;

**GMAC Group** means any Affiliate of GMAC UK;

**GMAC UK Group** means any Affiliate of the Originator which is resident for Tax purposes in the United Kingdom;

**Gross Loss Amount** means an amount equal to the Outstanding Principal Balance of the Purchased Receivables which have become Defaulted Receivables or VT Receivables in a Calculation Period immediately preceding an Interest Payment Date;

**Gross Recovery Amount** means an amount equal to Recoveries realised in a Calculation Period immediately preceding an Interest Payment Date;

**HMRC** means Her Majesty's Revenue & Customs;

**Holdings** means E-CARAT 4 Holdings Limited, a limited liability company incorporated under the laws of England and Wales with registered number 9146364 and whose registered office is at 35 Great St. Helen's, London EC3A 6AP;

**Hire-Purchase Agreement** means fixed interest rate, fully amortising level payment hire agreements with an option to purchase entered into by the Seller and Customers, which are secured by retention of the title over a Vehicle;

**Income Element** means, in relation to each Purchased Receivable, all amounts to be received from or on behalf of the Customer in respect of such Purchased Receivable other than the Principal Element of that Purchased Receivable and including, for the avoidance of doubt, all fees (other than any option fees) costs, any interest charged on interest and expenses received in respect of the Purchased Receivables;

**Indebtedness** means (without double-counting) any indebtedness of any person for or in respect of:

- (a) monies borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any conditional sale contract which would, in accordance with GAAP, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked-to-market value shall be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above;

**Initial Defaulted Receivables Payment** shall be an amount equal to £1;

**Initial Principal Amount** means the Principal Amount Outstanding of a Note at the Closing Date;

**Initial Purchase Price** means the amount, determined as at the Closing Date, as being an amount equal to the aggregate Outstanding Principal Balance due from Customers under the Related Underlying Agreement (which for the avoidance of doubt shall include any option fees and fees payable) during the period beginning on (but excluding) the Closing Date and ending on (and including) the maturity date of such Related Underlying Agreement plus, to the extent not included in the Outstanding Principal Balance, any capitalised interest and arrears;

**Insolvency Event** means in respect of a relevant entity (each a **Relevant Entity**):

- (a) an order is made or an effective resolution passed for the winding-up of the Relevant Entity, except a winding-up for the purposes of or pursuant to an amalgamation or reconstruction, and in respect of the Issuer only the terms of which have previously been approved by the Note Trustee in writing; or
- (b) the Relevant Entity, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in paragraph (a) above, ceases or, through an authorised action of its board of directors, threatens to cease to carry on all or substantially all of its business or admits its inability to pay its debts as they fall due or is unable to pay its debts within the meaning of section 123(1) of the Insolvency Act 1986 (other than, except in the case of the Issuer, subsection 123(1)(a)) or 123(2) of the Insolvency Act 1986 or, where applicable, sections 222 to 224 of the Insolvency Act 1986; or
- (c) proceedings, corporate action or other steps shall be initiated against the Relevant Entity under any applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for the appointment of an administrator, the service of a notice of intention to appoint an administrator or the taking of any steps to appoint an administrator) and (except in the case of presentation of a petition for an administration order, the filing of documents with the court for the appointment of an administrator, the service of a notice of intention to appoint an administrator or the taking of any steps to appoint an administrator) such proceedings are not being disputed in good faith with a reasonable prospect of success or an administration order shall be granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator, trustee in sequestration or other similar official shall be appointed in relation to the Relevant Entity or in relation to the whole or any substantial part of the undertaking or assets of the Relevant Entity, or an encumbrance (other than the Issuer, the Security Trustee or the Note Trustee) shall take possession of the whole or any substantial part of the undertaking or assets of the Relevant Entity, or a distress, execution or diligence or other process shall be levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Relevant Entity and such possession or process (as the case may be) shall not be discharged or otherwise ceases to apply within thirty days of its commencement, or the Relevant Entity (or its directors or shareholders) initiates or consents to judicial proceedings relating to itself under applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws or makes a conveyance or assignment or assignation for the benefit of its creditors generally or takes steps with a view to obtaining a moratorium in respect of any indebtedness; or
- (d) any event occurs which, under English law or any applicable law, has an analogous effect to any of the events referred to in paragraph (a), (b) or (c) above;

**Insolvency Official** means, in respect of any company, a liquidator, provisional liquidator, administrator (whether appointed by the court or otherwise), bank administrator, bank liquidator, administrative receiver, 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;

**Insolvency Proceedings** means the winding-up, dissolution, company voluntary arrangement or administration of a company or corporation and shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or of any jurisdiction in which such company or corporation carries on business, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief from creditors or the appointment of an Insolvency Official;

**Insolvency Regulation** means Council Regulation (EC) No. 1346/2000 of 29 May 2000, as amended;

**Interest Determination Date** has the meaning given to it in Condition 4.3(c)(ii);

**Interest Payment Date** means the 18<sup>th</sup> day of each calendar month, except if such day is not a Business Day, in which case it shall be the next succeeding Business Day unless such day falls in the next month, in which case it shall be the preceding Business Day. The first Interest Payment Date shall fall on 18 November 2014 (subject to adjustment in accordance with the Business Day Convention);

**Interest Period** means each period from (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date provided that the first Interest Period shall be the period from (and including) the Closing Date and ending on (but excluding) the Interest Payment Date falling in November 2014;

**Interest Rate** has the meaning given to it in Condition 4.3(b);

**Interest Rate Swap Ledger** means the ledger of the same name maintained by the Cash Manager in accordance with the Cash Management Agreement;

**Irish Listing Agent** means Walkers Listing & Support Services Limited, acting out of its offices at The Anchorage, 17-19 Sir John Rogerson's Quay, Dublin 2, Ireland;

**Irish Prospectus Regulations** means the Prospectus (Directive 2003/71 EC) Regulations 2005 of the Republic of Ireland;

**Irish Stock Exchange** means the Irish Stock Exchange;

**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 Value Added Tax Act 1994) for the prescribed accounting period (as that expression is used in Section 25(1) of the Value Added Tax Act 1994) to which such input tax relates;

**Issuer** means E-CARAT 4 plc (company number 9146372), whose registered office is at 35 Great St. Helen's, London EC3A 6AP, as issuer of the Notes;

**Issuer Bank Accounts** means the bank accounts which the Issuer agrees to maintain, pursuant to the terms of the Account Bank Agreement, including the Transaction Account, any Swap Collateral Account and any other bank account of the Issuer or in respect of which the Issuer at any time has an interest or, where the context requires, any of them;

**Issuer Profit Amount** means an amount equal to £100 as at each Interest Payment Date (£1,200 *per annum*);

**Issuer Retained Profit Ledger** means the ledger of the same name maintained by the Cash Manager in accordance with the Cash Management Agreement;

**Joint Lead Managers** means (i) Merrill Lynch International acting through its office at 2 King Edward Street, London EC1A 1HQ, (ii) Lloyds Bank plc acting through its office at 25 Gresham Street, London EC2V 7HN, United Kingdom and (iii) RBC Europe Limited acting through its office at Riverbank House, 2 Swan Lane, London EC4R 4BF, and **Joint Lead Manager** means any of them;

**Last Receivable Maturity Date** means 18 August 2019;

**Ledger Accounts** means the Revenue Deficiency Ledger, the Principal Deficiency Ledger (and sub-ledgers), the Liquidity Reserve Ledger, the Interest Rate Swap Ledger and the Issuer Retained Profit Ledger;

**Limited Recourse** has the meaning given to it in Condition 10 (Enforcement);

**Liquidating Receivable** means a Purchased Receivable in the amount the Servicer:

- (a) has reasonably determined, in accordance with its customary servicing procedures, that eventual payment of amounts owing on such Receivable is unlikely (and that, therefore, the requirements for a write-off of such Receivables in accordance with the customary practices of the Seller are met), or
- (b) has repossessed and disposed of the Vehicle

(it being understood that (i) applies in respect of the Receivables that cannot be satisfied out of any proceeds from the disposal of a Vehicle) and in each case to the extent such amount will constitute a loss in the books of the Issuer.

**Liquidity Reserve** means, on any date, the amount standing to the credit of the Liquidity Reserve Ledger in the Transaction Account (before making the calculations required to be made on such Interest Payment Date);

**Liquidity Reserve Ledger** means the ledger of the same name maintained by the Cash Manager in accordance with the Cash Management Agreement;

**Liquidity Reserve Proceeds** means the portion of the loan advanced by the Subordinated Loan Provider to the Issuer under the Subordinated Loan Agreement in an amount equal to the higher of £200,000 and 2.0 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes and the Class B Notes as at the Closing Date to establish the Liquidity Reserve;

**Liquidity Reserve Required Amount** means up to and including the Final Class B Interest Payment Date an amount equal to the higher of £200,000 or 2.0 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes and the Class B Notes as at the Closing Date or the relevant Interest Payment Date (as applicable) and thereafter zero;

**Loss or Liability** means in respect of any person, any loss, liability, damages, cost, expense, claim, action, suit or judgment which such person may incur or which may be made against such person, including (without limitation):

- (a) any consequential loss or loss of profit;
- (b) the fees and expenses of any professional adviser to such person;
- (c) the cost of funds of such person;
- (d) the costs of investigation and defence; and
- (e) any Irrecoverable VAT payable in respect of any such amount;

**Managers** means the Joint Lead Managers and the Co-Managers or any of them, in their capacity as subscribers of the Notes;

**Master Definitions Schedule** means the master definitions schedule dated the Closing Date between, among others, the Issuer, the Managers, the Seller, the Servicer, the Back-Up Servicer, the Subordinated Loan Provider, Holdings, the Note Trustee, the Security Trustee, the Paying Agents, the Agent Bank, the Account Bank, the Cash Manager, the Calculation Agent, the Corporate Services Provider and the Swap Counterparty;

**Meeting** means a meeting of the Noteholders or of any one or more Classes of Noteholders and, except where the context otherwise requires, includes a meeting resumed following an adjournment;

**Member State** means any of the member states of the European Union;

**Modified Following Business Day Convention** means the business day convention under which, where a relevant date falls on a day which is not a Business Day, that date will be adjusted so that it falls on the first following day that is a Business Day, unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day;

**Monthly Investor Report** means the monthly servicing and cash management report prepared by the Cash Manager in accordance with the Cash Management Agreement;

**Monthly Payment** means each monthly payment due from a Customer under the Underlying Agreement to which such Customer is a party;

**Monthly Payment Date** means the date on which each Monthly Payment is due;

**Moody's** means Moody's Investors Service Limited, or any successor to its ratings business;

**Most Senior Class of Notes** means, at any time:

- (a) the Class A Notes; or
- (b) if no Class A Notes are then outstanding, the Class B Notes (if at that time any Class B Notes are then outstanding); or
- (c) if no Class A Notes or no Class B Notes are then outstanding, the Subordinated Notes (if at that time any Subordinated Notes are then outstanding);

**Net Loss Amount** means the higher of (i) nil and (ii) the Gross Loss Amount minus the Gross Recovery Amount realised in the same Calculation Period;

**Net Recovery Amount** means the higher of (i) nil and (ii) the Gross Recovery Amount minus the Gross Loss Amount in the same Calculation Period;

**Non-Compliant Receivable** means each Purchased Receivable in respect of which any Receivables Warranty proves to have been incorrect on the date on which the relevant Receivables Warranty is given and remains incorrect, or has never existed;

**Non-Compliant Receivables Repurchase Price** means an amount, calculated by the Servicer, equal to its Outstanding Principal Balance as at the Closing Date, less any amounts in respect of any Principal Element recovered or received by the Issuer in respect of such Purchased Receivable plus any accrued income in respect thereof as at the date of the repurchase;

**Non-Permitted Variation** means any change to an Underlying Agreement that relates to a Purchased Receivable which has the effect of:

- (a) reducing the Amount Financed;
- (b) reducing the Annual Percentage Rate;
- (c) reducing the total number of Monthly Payments; or
- (d) extending the term of the Purchased Receivable such that the last Monthly Payment Date falls after the Last Receivable Maturity Date,

but in the case of paragraphs (a), (b) and (c) above, 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.

**Northern Irish Receivables** means those Receivables contained in the Portfolio where the address of the Customer as set out in the Underlying Agreement at the time of origination is in Northern Ireland;

**Note Acceleration Notice** has the meaning given to it in Condition 9.1;

**Note Trustee** means, as at the Closing Date, U.S. Bank Trustees Limited, acting through its registered office at 125 Old Broad Street, London EC2N 1AR, United Kingdom;

**Noteholders** means (i) in relation to any Class A Notes represented by a Global Note, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular principal amount of such Class A Notes (other than Euroclear and/or Clearstream, Luxembourg), in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg as to the principal amount of such Class A Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error (other than for the purpose of payments in respect thereof, the right to which shall be vested as against the Issuer and any Paying Agent, solely in the bearer of a Global Note in accordance with and subject to its terms and for which purpose **Noteholder** means the bearer of a Global Note), (ii) in relation to the Class B Notes represented by a Global Note, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular principal amount of such Class B Notes (other than Euroclear and/or Clearstream, Luxembourg), in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg as to the principal amount of such Class B Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error (other than for the purpose of payments in respect thereof, the right to which shall be vested as against the Issuer and any Paying Agent, solely in the bearer of a Global Note in accordance with and subject to its terms and for which purpose **Noteholder** means the bearer of a Global Note), (iii) in relation to the Subordinated Notes, the holders of the Subordinated Notes named in the Register maintained by the Registrar and (iv) in relation to any Definitive Notes, the bearer of those Definitive Notes, and related expressions shall (where appropriate) be construed accordingly;

**Notes** means the Class A Notes, the Class B Notes and the Subordinated Notes or, where the context requires, any of them and includes the Definitive Notes and the Global Notes;

**Notice of Invocation** means an instruction in writing by the Issuer or the Security Trustee to the Back-Up Servicer, following resignation or termination of the Servicer in accordance with the terms of the Servicing Agreement, to commence performance of the Core Services in accordance with the terms of the Back-Up Servicing Agreement;

**OFT** means the Office of Fair Trading;



**Originator** means GMAC UK plc (registered number 00275607), whose registered office is at Heol-y-Gamlas, Parc Nantgarw, Cardiff CF15 7QU, United Kingdom in its capacity as originator of the Receivables;

**outstanding** means in relation to the Notes all the Notes issued other than:

- (a) those Notes which have been redeemed in full pursuant to the Conditions;
- (b) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest payable thereon) have been duly paid to the Note Trustee or to the Principal Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the relevant Noteholders in accordance with the Conditions) and remain available for payment against presentation of the relevant Notes;
- (c) those Notes which have been purchased and cancelled in accordance with the Conditions;
- (d) those Notes which have become void under Condition 8 (Prescription);
- (e) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 13 (Replacement of Global Notes);
- (f) (for the purpose only of ascertaining the Principal Amount Outstanding of the Notes outstanding and without prejudice to the status for any other purpose of the relevant Notes) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 13 (Replacement of Global Notes); and
- (g) any Global Note to the extent that it shall have been exchanged for another Global Note in respect of the Notes of the relevant Class or for the Notes of the relevant class in definitive form pursuant to its provisions;

provided that for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the Noteholders of any Class or Classes, an Extraordinary Resolution in writing or an Ordinary Resolution in writing and any direction or request by the holders of Notes of any Class or Classes;
- (ii) the determination of how many and which Notes are for the time being outstanding for the purposes of Conditions 9 (Events of Default) and 10 (Enforcement);
- (iii) any right, discretion, power or authority (whether contained in the Conditions, any other Transaction Document or vested by operation of law) which the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders or any Class or Classes thereof; and
- (iv) the determination by the Note Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders or any Class or Classes thereof,

those Notes (if any) which are for the time being held by or on behalf of or for the benefit of the Issuer, the Originator or any Subsidiary of either of them, in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding, unless they are together the sole beneficial holders of the Notes;

**Outstanding Balance** means, on any date and in relation to each Underlying Agreement, the aggregate of the Principal Elements and Income Elements outstanding under such Underlying Agreement as shown on the relevant computer system (on the assumption that the Servicer has complied with its obligations under the Servicing Agreement);

**Outstanding Principal Balance** means, on any date and with respect to each Purchased Receivable, the Principal Element outstanding under the Related Underlying Agreement (on the assumption that the Servicer has complied with its obligations under the Servicing Agreement);

**Paying Agents** means the Principal Paying Agent together with any successor or additional paying agents appointed from time to time in connection with the Notes under the Agency Agreement, and **Paying Agent** means any one of them;

**Perfection Event** means each of the following events:

- (a) 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) in accordance with the terms of the Receivables Sale and Purchase Agreement; or
- (b) unless otherwise agreed in writing by the Security Trustee, a Servicer Termination Event occurs; or
- (c) the Seller calling for perfection or transfer of legal title by serving notice in writing to that effect on the Issuer and the Security Trustee; or
- (d) the occurrence of an Insolvency Event in respect of the Seller;

**Permanent Global Note** means the permanent global notes obtained by exchanging interests in a Temporary Global Note on and after the date which is 40 days after the Closing Date, upon certification of non-U.S. beneficial ownership by the relevant Noteholder;

**Permitted Variations** means any Variation which is made in accordance with the terms of the relevant Underlying Agreement and the applicable Credit and Collection Procedures and which is not a Non-Permitted Variation;

**Permitted Withdrawal** means an amount equal to the aggregate of the following withdrawals made by the Cash Manager (as directed by the Seller) on any Business Day:

- (a) Excess Recoveries Amount;
- (b) Pre-Closing Interest Amounts; and
- (c) Excluded Receivables Amount,

*provided that*, any such withdrawals shall (i) in any Calculation Period only be made up to a maximum amount equal to the Revenue Receipts received in such Calculation Period, (ii) be deemed to be made prior to administration of the applicable Priority of Payments and (iii) for the avoidance of doubt, shall not be included as Available Revenue Receipts;

**Portfolio** means the Purchased Receivables and all other assets and rights relating to the Related Underlying Agreements purported to be transferred or granted to the Issuer, pursuant to the Receivables Sale and Purchase Agreement;

**Post-Acceleration Priority of Payments** means the priority of payments for the application of Available Principal Receipts following the service of a Note Acceleration Notice as set out in the Deed of Charge;

**Potential Cash Manager Termination Event** means any event which with the giving of notice or expiry of any grace period or certification or any combination thereof, as specified in such Cash Manager Termination Event would constitute a Cash Manager Termination Event;

**Potential Event of Default** means any event which will become (with the passage of time, the giving of notice, the making of any determination or any combination thereof) an Event of Default;

**Potential Servicer Termination Event** means any event which with the giving of notice or expiry of any grace period or certification, as specified in such Servicer Termination Event would constitute a Servicer Termination Event;

**Pre-Acceleration Principal Priority of Payments** means the priority of payments for the application of Available Principal Receipts prior to service of a Note Acceleration Notice as set out in the Cash Management Agreement;

**Pre-Acceleration Revenue Priority of Payments** means the priority of payments for the application of Available Revenue Receipts prior to service of a Note Acceleration Notice as set out in the Cash Management Agreement;

**Pre-Closing Interest Amounts** means any amounts received by the Issuer in respect of the Receivables in the Portfolio after the Closing Date in respect of arrears accrued prior to the Cut-off Date, other than any arrears which have been capitalised as at the Cut-off Date;

**Principal Amount Outstanding** has the meaning given to it in Condition 6.4;

**Principal Deficiency Ledger** means the ledger of such name maintained by the Cash Manager in accordance with the Cash Management Agreement comprising three sub-ledgers, the Class A Principal Deficiency Sub-ledger, the Class B Principal Deficiency Sub-ledger and the Subordinated Notes Principal Deficiency Sub-ledger;

**Principal Element** means, on any date and in respect of any Receivable, the present value as of such date of all scheduled Monthly Payments on such Receivable which have not been paid on or prior to such date, discounted from the last day of the calendar month in which each such payment is to become due to such date at the Discount Rate (as calculated by the Originator in accordance with the Actuarial Method);

**Principal Paying Agent** means, as at the Closing Date, Elavon Financial Services Limited, acting through its UK Branch from its offices at 5th Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom;

**Principal Receipts** means all amounts comprised of:

- (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 Purchased Receivables (including, but not limited to, any amount of Principal Element received by the Issuer in respect of the Non-Compliant Receivables Repurchase Price, the Final Repurchase Price, the CCA Compensation Payment, the Receivables Indemnity Amount and in respect of the repurchase price paid in respect of the repurchase of Purchased Receivables which are the subject of a Non-Permitted Variation).

**Priority of Payments** means the Pre-Acceleration Revenue Priority of Payments, the Pre-Acceleration Principal Priority of Payments and the Post-Acceleration Priority of Payments, or any of them;

**Prospectus** means this Prospectus dated the date hereof relating to the issue and offering of the Notes;

**Prospectus Directive** means Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a Relevant Member State);

**Provisional Portfolio** means the portfolio of Receivables as at the Cut-off Date;

**Purchase Price** means the Initial Purchase Price and the Deferred Purchase Price;

**Purchased Receivable** means each Receivable purchased by the Issuer pursuant to the Receivables Sale and Purchase Agreement (and in respect of any Scottish Receivables, held in trust pursuant to the relevant Scottish Declarations of Trust) which has neither been paid in full by or on behalf of the Customer nor repurchased by the Seller pursuant to the Receivables Sale and Purchase Agreement;

**RAO** means The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, as amended;

**Rating Agencies** means S&P, Moody's and DBRS or, where the context requires, any of them or any of their successors. If at any time S&P or Moody's or DBRS is replaced as a Rating Agency, then references to its rating categories in the Transaction Documents shall be deemed instead to be references to the equivalent rating categories of the entity which replaces it as a Rating Agency;

**Rating Agency Confirmation** means, a confirmation in writing by the relevant Rating Agencies that the then current ratings of the Senior 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 Calculation Agent, the Servicer, the Swap Counterparty (in respect of a Rating Agency Confirmation requested pursuant to the provisions of the Swap Agreement only), the Note Trustee and/or the Security 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 (and for the purposes of Condition 11.8 and Clause 20.2 of the Trust Deed, the Note Trustee and the Security Trustee) 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 (and for the purposes of Condition 11.8 and Clause 20.2 of the Trust Deed, the Note Trustee and the Security Trustee) 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. However, nothing herein shall in any way affect the right of a Rating Agency to downgrade or withdraw its then current ratings of the Senior Notes in a manner as it sees fit;

**Receivable** means any and all claims and rights of the Seller against the Customer under or in connection with relevant Underlying Agreements originated by the Seller (including, for the avoidance of doubt, all payments due from the Customer under the relevant Underlying Agreement (including any VAT or related fees and expenses due and payable by the Customer under the terms of the Underlying Agreement) and any Ancillary Rights);

**Receivables Indemnity Amount** means, where a Purchased Receivable has never existed, or has ceased to exist, such that it is not outstanding on the date on which it is otherwise due to be repurchased pursuant to the Receivables Sale and Purchase Agreement, an amount equal to (i) the Outstanding Principal Balance of such Purchased Receivable had the Purchased Receivable existed and complied with each of the Receivables Warranties as at the Closing Date and (ii) any deemed interest accrued on the relevant Purchased Receivable at a rate equal to the weighted average interest rate of the Portfolio as determined by the Servicer at the end of the immediately preceding Calculation Period less any amounts in respect of any Principal Element received by the Issuer with respect to such Purchased Receivable;

**Receivables Sale and Purchase Agreement** means the receivables sale and purchase agreement dated the Closing Date between the Seller, the Issuer and the Security Trustee;

**Receivables Warranties** means the representations and warranties made by the Seller in respect of the Purchased Receivables as set out in clause 6.2 of the Receivables Sale and Purchase Agreement;

**Receiver** means any person (being a licensed insolvency practitioner) who is appointed by the Security Trustee to be a receiver or an administrative receiver (as the case may be) of the Charged Property to act jointly, independently, or jointly and severally, as the Security Trustee shall determine;

**Records** means:

- (a) all agreements, files, microfiles, correspondence, notes of dealing and other documents, books, books of account, registers, records and other information; and
- (b) all computer tapes, discs, computer programs, data processing software and related property rights owned by or under the control and disposition of the Seller;

**Recoveries** means, on a Calculation Date, any amount received in the immediately preceding Calculation Period in relation to a Defaulted Receivable or a VT Receivable that is a Purchased Receivable;

**Register** means the register maintained by the Registrar with respect to the Subordinated Notes;

**Registrar** means Elavon Financial Services Limited, acting through its office at Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland;

**Regulation S** means Regulation S of the Securities Act;

**Related Underlying Agreement** means, in relation to each Receivable, the Underlying Agreement from which such Receivable derives;

**Related Third Party Creditors** means any creditor of the Issuer (not being a Secured Creditor) in respect of costs, fees, expenses or other amounts (including taxes) incurred by the Issuer to such creditor or required by law to be paid to such creditor in each case;

**Relevant Date** has the meaning given in Condition 8;

**Relevant Member State** means each Member State of the European Economic Area which has implemented the Prospectus Directive;

**Replacement Cash Management Agreement** means an agreement entered into by the Replacement Cash Manager with the Issuer and the Security Trustee substantially on the terms of the existing Cash Management Agreement;

**Replacement Cash Manager** means the replacement cash manager appointed pursuant to the terms of the Cash Management Agreement;

**Replacement Swap Premium** means an amount received by the Issuer from a replacement Swap Counterparty upon entry by the Issuer into an agreement with such replacement Swap Counterparty to replace the outgoing Swap Counterparty, which shall be applied by the Issuer in accordance with the Cash Management Agreement and the Deed of Charge;

**Repurchase Date** means the date on which a Receivable (including a Non-Compliant Receivable and a Defaulted Receivable) is to be repurchased pursuant to the Receivables Sale and Purchase Agreement;

**Required Ratings** means such ratings as are consistent with the then published criteria of the relevant Rating Agency as being the minimum ratings that are required to support the then rating of the Class A Notes and the Class B Notes;

**Requirement of Law** in respect of any person shall mean:

- (a) any law, treaty, rule, requirement or regulation;
- (b) a notice by an order of any court having jurisdiction;
- (c) a mandatory requirement of any regulatory authority having jurisdiction; or
- (d) a determination of an arbitrator or governmental authority;

**Revenue Deficiency** means the amount of any insufficiency in the amount of Available Revenue Receipts (ignoring any Available Principal Receipts referred to in item (f) of the definition of Available Revenue Receipts) available to pay items (a) to (g) of the Pre-Acceleration Revenue Priority of Payments;

**Revenue Deficiency Ledger** means the ledger of the same name maintained by the Cash Manager in accordance with the Cash Management Agreement;

**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 and in respect of the repurchase price paid in respect of the repurchase of Purchased Receivables which are the subject of a Non-Permitted Variation);
- (b) any amount received by the Issuer in respect of any CCA Compensation Payments, Receivables Indemnity Amounts Final Repurchase Price and Non-Compliant Receivables 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
- (c) any other amounts received by the Issuer in respect of the Purchased Receivables which is not in respect of the Principal Element of such Purchased Receivables (including without limitation any Defaulted Receivables Call Option Recoveries);

*but less*

any amounts which are Permitted Withdrawals;

**Scheduled Final Repayment Date** means, in respect of any Underlying Agreement, the date on which the final Scheduled Payment is due from the Customer, assuming no breach of agreement or other default by the Customer;

**Scottish Declaration of Trust** means the declaration of trust in relation to Scottish Receivables and their Ancillary Rights made pursuant to the Receivables Sale and Purchase Agreement by means of which the sale of such Scottish Receivables and their related Ancillary Rights by the Seller to the Issuer and the transfer of the beneficial interest therein to the Issuer are given effect;

**Scottish Receivables** means those Receivables contained in the Portfolio governed by or otherwise subject to Scots law;

**Scottish Supplemental Charge** means the assignation in security granted by the Issuer in favour of the Security Trustee in respect of the interest in the Scottish Declaration of Trust and the Scottish Vehicle Sales Proceeds Floating Charge;

**Scottish Vehicle Sales Proceeds** means Vehicle Sales Proceeds in respect of Purchased Receivables in so far as they relate to Scottish Vehicles;

**Scottish Vehicle Sales Proceeds Floating Charge** means the Scots law governed floating charge granted by the Seller in favour of the Issuer in respect of the Scottish Vehicle Sales Proceeds pursuant to clause 2.9(c) of the Receivables Sale and Purchase Agreement;

**Scottish Vehicles** means Vehicles situated in Scotland or otherwise subject to Scots law;

**Secured Creditors** means the Seller, the Security Trustee, the Note Trustee, the Servicer, the Back-Up Servicer, the Cash Manager, the Calculation Agent, the Account Bank, the Subordinated Loan Provider, the Agents, the Swap Counterparty, the Corporate Services Provider, the Noteholders and any Receiver and any other party which becomes a Secured Creditor pursuant to the Deed of Charge;

**Secured Liabilities** means any and all monies, obligations and liabilities and all other amounts due, owing, payable or owed by the Issuer to the Secured Creditors under the Notes and/or the Transaction Documents, and references to Secured Liabilities includes references to any of them;

**Securities Act** means the United States Securities Act of 1933;

**Securitisation** means the securitisation transaction entered into on or about the Closing Date under the Transaction Documents in connection with the issue of the Notes by the Issuer;

**Security** means the security constituted by and pursuant to the Deed of Charge;

**Security Powers of Attorney** means the security powers of attorney dated the Closing Date granted by the Issuer in favour of the Security Trustee in, or substantially in, the form set out in the Deed of Charge;

**Security Trustee** means U.S. Bank Trustees Limited, acting through its registered office at 125 Old Broad Street, London, EC2N 1AR, United Kingdom;

**Seller** means GMAC UK plc (registered number 00275607), a public company with limited liability in England and Wales, whose registered office is at Heol-y-Gamlas, Parc Nantgarw, Treforest, Cardiff CF15 7QU United Kingdom in its capacity as seller of the Purchased Receivables to the Issuer under the Receivables Sale and Purchase Agreement;

**Senior Noteholder** means the Class A Noteholders and the Class B Noteholders;

**Senior Notes** means the Class A Notes and the Class B Notes;

**Servicer** means the person appointed by the Issuer under the Servicing Agreement to service the Purchased Receivables being, at the Closing Date, GMAC UK plc;

**Servicer Standard of Care** means the standard of care set out in the Servicing Agreement to which the Servicer will perform 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;

**Servicer Termination Event** means;

- (a) 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 five Business Days after written notice or discovery of such failure by an officer of the Servicer; or
- (b) the Servicer (i) fails to observe or perform in any material 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 and such failure results in a material adverse effect on the Issuer's ability to make payments in respect of the Notes and continues unremedied for a period of 60 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 required 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 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
- (c) the occurrence of an Insolvency Event in relation to the Servicer;

**Servicing Agreement** means the servicing agreement expected to be dated on or around the Closing Date relating to the Purchased Receivables between the Issuer and the Servicer;

**Servicing Fee** means a fee (inclusive of amounts in respect of VAT, if any) payable monthly in arrear on each Interest Payment Date calculated as 1 per cent. per annum of the aggregate of the Outstanding Principal Balances of all Related Underlying Agreements purchased by the Issuer which are outstanding on the first day of the Calculation Period in which such Interest Payment Date falls;

**Servicing Procedures** means the procedures utilised by the Servicer in servicing the Purchased Receivables as at the date of commencement of servicing by the Back-Up Servicer;

**SGA** means the Sale of Goods Act 1979;

**SGITA** means the Supply of Goods (Implied Terms) Act 1973;

**Share Trustee** means, as at the Closing Date, SFM Corporate Services Limited, acting through its principal office at 35 Great St. Helen's, London EC3A 6AP;

**Specified Interest Date** means, in relation to a Monthly Payment in respect of a Receivable, the fixed date specified in the relevant Underlying Agreement on which the Monthly Payment is due for payment;

**Specified Office** means, with respect to the Agents, the offices listed at the end of the Conditions or such other offices as may from time to time be duly notified pursuant to Condition 14 (Notice to Noteholders);



**S&P and Standard & Poor's** means Standard & Poor's Credit Market Services Europe Limited and any successor to its ratings business;

**Standard Dealer Agreements** means any one or more of the forms of the standard "Dealer Associate Agreement", the "Master Dealer Declaration" and the "Dealers Declaration and Invoice" used in connection with the originating Underlying Agreements each 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;

**Standard Documentation or Standard Documents** means the forms of the standard documents used by the Seller in originating Underlying 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;

**Start-up Costs Proceeds** means the portion of the loan advanced by the Subordinated Loan Provider to the Issuer under the Subordinated Loan Agreement in the amount not to exceed nil to assist in funding certain up-front costs and expenses incurred by the Issuer in connection with the entry into the transactions set out in the Transaction Documents;

**Sterling or £** means the lawful currency of the United Kingdom;

**Subordinated Back-Up Servicer Amount** means a mark up of 15% of all costs incurred by the Back-Up Servicer in completing/correcting errors in the database of the Portfolio which is required to be paid by the Issuer to the Back-Up Servicer;

**Subordinated Loan** means the loan provided to the Issuer by the Subordinated Loan Provider pursuant to the Subordinated Loan Agreement;

**Subordinated Loan Agreement** means the loan agreement dated the Closing Date between the Issuer and the Subordinated Loan Provider;

**Subordinated Loan Provider** means, as at the Closing Date, GMAC UK plc;

**Subordinated Noteholders** means the persons who are for the time being the holders of the Subordinated Notes;

**Subordinated Notes** means the £24,075,000 Subordinated Asset Backed Fixed Rate Notes due September 2022 issued in definitive registered form;

**Subordinated Notes Interest Amount** means the amount of interest payable in respect of the Subordinated Notes;

**Subordinated Notes Principal Amount** means the Principal Amount Outstanding in respect of all Subordinated Notes on any date;

**Subordinated Notes Principal Deficiency Sub-ledger** means a sub-ledger on the Principal Deficiency Ledger in respect of the Subordinated Notes;

**Subordinated Swap Amounts** means any termination amount payable by the Issuer to the Swap Counterparty under the Swap Agreement as a result of either (i) an Event of Default (as defined in the Swap Agreement) where the Swap Counterparty is the Defaulting Party, or (ii) an Additional Termination Event (as defined in the Swap Agreement) (which occurs as a result of the failure of the Swap Counterparty to comply with the requirements of a rating downgrade provision set out under the Swap Agreement);

**Subscription Agreement** means the subscription agreement in respect of the Notes expected to be dated on or prior to the Closing Date between, among others, the Issuer, the Seller, the Joint Lead Managers and the Co-Managers in respect of the subscription of the Notes;

**Surplus Available Principal Receipts** means Available Principal Receipts to be applied as Available Revenue Receipts in accordance with item (e) of the Pre-Acceleration Principal Priority of Payments;

**Swap Agreement** means the International Swaps and Derivatives Association Inc 1992 Master Agreement, the schedule thereto, and any credit support annexes or other credit support documents related thereto, each dated as of the Closing Date, and the transaction confirmation, dated on or prior to the Closing Date, between the Issuer and the Swap Counterparty and the transactions effected thereunder (or such replacement swap agreement as the Issuer may enter into in accordance with the Transaction Documents);

**Swap Collateral** means an amount equal to the value of the collateral (or the applicable part of any collateral) provided by the Swap Counterparty to the Issuer in respect of the Swap Counterparty's obligations to transfer collateral to the Issuer under the Swap Agreement, which, for the avoidance of doubt, shall include any amount of interest credited to the Swap Collateral Account;

**Swap Collateral Account** means the account or accounts opened by the Issuer with the Account Bank, or another institution with the Account Bank Ratings, into which Swap Collateral will be posted by the Swap Counterparty pursuant to the Swap Agreement which, for the avoidance of doubt, shall include if applicable any custody account in respect of any securities posted as collateral under the Swap Agreement;

**Swap Collateral Custody Agreement** means any agreement entered into by the Issuer pursuant to which the Issuer appoints a custodian to hold any Swap Collateral posted under the Swap Agreement to the extent such Swap Collateral is in the form of securities credited to the Swap Collateral Account;

**Swap Counterparty** means as at the Closing Date, Lloyds Bank plc, 25 Gresham Street, London EC2V 7HN (or such other replacement parties as may be appointed by the Issuer in accordance with the Transaction Documents);

**Swap Tax Credits** means any credit, allowance, set-off or repayment 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 a Swap Counterparty to the Issuer, the amounts of which shall be applied by the Issuer in accordance with the Cash Management Agreement;

**Swap Termination Payment** means any payment due to a Swap Counterparty upon the early termination of a transaction under the Swap Agreement to which such Swap Counterparty is a party;

**Tax Authority** means any government, state, municipality or any local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world including, in the United Kingdom, HMRC and any successor thereof, in each case having power to levy any tax;

**Temporary Global Note** shall have the meaning given to such term in the Conditions;

**Transaction Account** means the Sterling account in the name of the Issuer with the Account Bank and designated as such;

**Transaction Documents** means the Trust Deed, the Notes (when issued), the Agency Agreement, the Servicing Agreement, the Back-Up Servicing Agreement, the Cash Management Agreement, the Calculation Agency Agreement, the Account Bank Agreement, the Deed of Charge, the Security Powers of Attorney, the Master Definitions Schedule, the Receivables Sale and Purchase Agreement, the Collections Account Declaration of Trust, the Scottish Declaration of Trust, the Scottish Supplemental Charge, the Scottish Vehicle Sales Proceeds Floating Charge, the Subordinated Loan Agreement, the Corporate Services

Agreement, the Swap Agreement, any Swap Collateral Custody Agreement and any other document entered into by one or more Transaction Parties which is designated as a **Transaction Document** with the consent of the Security Trustee, the Issuer and the Seller;

**Transaction Party** means each of the Issuer, Holdings, the Seller, the Note Trustee, the Agents, the Servicer, the Back-Up Servicer, the Cash Manager, the Calculation Agent, the Security Trustee, the Subordinated Loan Provider, the Account Bank, the Managers, the Corporate Services Provider, the Swap Counterparty and any other party to the Transaction Documents;

**Trust Deed** means the trust deed creating the Notes dated the Closing Date between the Issuer and the Note Trustee;

**Underlying Agreement** means any Hire-Purchase Agreement and any Conditional Sale Agreement (including any modifying agreements supplemental thereto relating to any replacement motor vehicle which becomes the subject matter of any such Hire-Purchase Agreement or Conditional Sale Agreement (as the case may be) in substitution for the original motor vehicle), from which any Receivable derives;

**UTCCR** means the Unfair Terms in Consumer Contracts Regulations 1999 as amended;

**UTR** means the Consumer Protection from Unfair Trading Regulations 2008;

**Variation** means any amendment or variation to the terms of a Related Underlying Agreement after the Cut-off Date;

**VAT** means value added tax as provided for in the Value Added Tax Act 1994 and legislation (delegated or otherwise supplemental thereto) and any similar tax replacing or introduced in addition to the same;

**Vehicle** means in relation to any Underlying Agreement, the motor vehicle which is (or the motor vehicles which are) the subject of that Underlying Agreement;

**Vehicle Sales Proceeds** means the proceeds derived from (including by way of sale or otherwise) any Vehicle returned to or recovered by or on behalf of the Seller;

**Voluntarily Terminated Receivable** or **VT Receivable** means any Purchased Receivable in relation to which a Customer serves a notice to the Seller pursuant to Section 99 of the CCA; and

**Written Resolution** means a resolution in writing signed by or on behalf of Noteholders of not less than 75% in aggregate Principal Amount Outstanding of the Notes which resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Notes.

**REGISTERED OFFICE OF THE ISSUER**

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35 Great St. Helen's  
London  
EC3A 6AP  
United Kingdom

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AND AGENT BANK**

**Elavon Financial Services Limited**  
5th Floor, 125 Old Broad Street  
London EC2N 1AR  
United Kingdom

**IRISH LISTING  
AGENT**

**Walkers Listing & Support Services Limited**  
The Anchorage  
17-19 Sir John Rogerson's Quay, Dublin 2  
Ireland

**REGISTRAR**

**Elavon Financial Services Limited**  
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Ireland

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Heol-y-Gamlas  
Parc Nantgarw  
Cardiff CF15 7QU

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SECURITY TRUSTEE**

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125 Old Broad Street  
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United Kingdom

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United Kingdom

**JOINT LEAD MANAGERS**

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**Lloyds Bank plc**  
25 Gresham Street  
London EC2V 7HN  
United Kingdom

**RBC Europe Limited**  
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2 Swan Lane  
London EC4R 3BF

**CO-MANAGERS**

**Commerzbank Aktiengesellschaft**  
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60311 Frankfurt am Main  
Federal Republic of Germany

**The Royal Bank of Scotland plc**  
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United Kingdom

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