

## IMPORTANT NOTICE

### NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE U.S. EXCEPT TO QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED BELOW)

**IMPORTANT: You must read the following before continuing.** The following applies to the prospectus following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the prospectus. In accessing the prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR 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 REGULATIONS 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. CERTAIN OF THE SECURITIES WILL BE OFFERED AND SOLD IN THE UNITED STATES TO A LIMITED NUMBER OF **QUALIFIED INSTITUTIONAL BUYERS** (AS DEFINED IN RULE 144A OF THE SECURITIES ACT) IN RELIANCE ON RULE 144A OF THE SECURITIES ACT.

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 either (i) 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 email has been delivered is not located in the United States or its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or (ii) a qualified institutional buyer (as defined in Rule 144A under the Securities Act), in each case acting for your own account or for the account of one or more qualified institutional buyers and (d) if you are a person in the United Kingdom, then you are a person who (i) has professional experience in matters relating to investments or (ii) is a person falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (all such persons together being 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 Motor 2017-1 PLC nor the Arranger nor the Managers nor any person who controls any such person nor any director, officer, employee or agent 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 the Arranger or the Managers.

**MOTOR 2017-1 PLC**  
*(incorporated with limited liability in England and Wales under registered number 10862075)*  
**(the Issuer)**

| <u>Notes</u> | <u>Initial Principal Amount</u> | <u>Issue Price</u> | <u>Interest Rate</u>                | <u>Relevant Margin</u> | <u>Redemption Profile</u>  | <u>Legal Maturity Date</u>             | <u>Expected Ratings (S&amp;P/Moody's)</u> |
|--------------|---------------------------------|--------------------|-------------------------------------|------------------------|--|--|---|
| Class A1     | \$400,000,000                   | 100%               | 1 month USD LIBOR + Relevant Margin | 0.53%                  | Scheduled Amortisation on each Payment Date. Pass through redemption on or after a Principal Payment Trigger Event | Payment Date falling in September 2024 | AAA(sf)/Aaa(sf)                           |
| Class A2     | £245,000,000                    | 100%               | 1 month GBP LIBOR + Relevant Margin | 0.45%                  | Pass through redemption  | Payment Date falling in September 2024 | AAA(sf)/Aaa(sf)                           |
| Class B      | £15,000,000                     | 100%               | 1.5%                                | N/A                    | Pass through redemption  | Payment Date falling in September 2024 | AA(sf)/Aa1(sf)                            |
| Class C      | £36,000,000                     | 100%               | 2.0%                                | N/A                    | Pass through redemption  | Payment Date falling in September 2024 | Not Rated                                 |

**Issue Date**                    The Issuer will issue the Notes set out above on or about 20 September 2017 (the **Closing Date**).

**Underlying Assets**            The Issuer will make payments on the Notes from payments received in respect of a portfolio of receivables comprising rights to amounts payable under the Underlying Agreements pursuant to which passenger cars, light commercial vehicles, off-road vehicles, vans or light trucks are financed, that will be purchased by the Issuer on the Initial Purchase Date, being the Closing Date, and any subsequent Further Purchase Dates during the Revolving Period. See “*Description of the Portfolio*” for more information.

**Key Structural Features**            **Credit Enhancement Features**

- With respect to the Class A Notes, subordination of the Class B Notes and the Class C Note
- With respect to the Class B Notes, subordination of the Class C Note

- Reserve Fund
- Class A1 Cash Accumulation Fund
- Excess spread

**Liquidity Support Features**

- Reserve Fund
- Class A1 Cash Accumulation Fund
- Class A1 Swap Reserve Account

See “*Overview of the Transaction—Overview of Credit Structure and Cashflow*” and “*Credit Structure*” for more information.

**Redemption Provisions**

For information on optional and mandatory redemption of the Notes, see “*Overview of the Transaction—Overview of the Terms and Conditions of the Notes*” and Condition 7 (*Redemption*).

**Rating Agencies**

Standard & Poor’s Credit Market Services Europe Limited (**S&P**) and Moody’s Investors Service Limited (**Moody’s**). Each of S&P and Moody’s is established and operating in the European Union (**EU**), is registered under Regulation (EC) No 1060/2009, as amended (the **CRA Regulation**), and is supervised by the European Securities and Markets Authority.

**Ratings**

Ratings are expected to be assigned to the Class A Notes and the Class B Notes by the Rating Agencies as set out above on or before the Closing Date. The ratings expected to be assigned to the Class A Notes are the highest achievable in England and Wales.

The ratings reflect the views of the Rating Agencies and are based on the Purchased Receivables, the Related Collateral and the structural features of the Transaction, including, for example, the ratings of any Swap Counterparty.

The ratings assigned by S&P and Moody’s address the likelihood of full and timely payment to the relevant Noteholders of (i) interest due on each Payment Date and (ii) principal on a date that is not later than the Legal Maturity Date.

**The assignment of ratings to the Class A Notes and the Class B Notes is not a recommendation to invest in the Class A Notes or Class B Notes, as applicable, and may be revised, suspended, qualified or withdrawn at any time by the relevant Rating Agency.**

**The Class C Note will not be rated.**

**Listing**

This prospectus (the **Prospectus**) comprises a prospectus for the purpose of the Prospectus Directive and relevant implementing measures in Ireland. **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measures in the relevant Member State. The Prospectus has been approved by the Central Bank of Ireland (the **Central Bank**), as competent authority under the Prospectus Directive. Application has been made to the Irish Stock Exchange Plc (the **Irish Stock Exchange**) for the Notes to be admitted to its official list (the **Official List**) and trading on its regulated

market.

**Obligations**

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

**E.U. Retention Undertaking**

The Seller, in its capacity as originator (the **Retention Holder**), undertakes that it will retain, on an on-going basis, a material net economic interest in the Transaction which shall in any event not be less than 5 per cent., in accordance with Article 405 of Regulation (EU) No. 575/2013 (the **Capital Requirements Regulation** or **CRR**), Article 51 of Commission Delegated Regulation (EU) No. 231/2013 (the **AIFM Regulation**) and Article 254 of Commission Delegated Regulation (EU) 2015/35 (the **Solvency II Regulation**) (which, in each case, does not take into account any corresponding national measures) (the Capital Requirements Regulation, AIFM Regulation and Solvency II Regulation, together, the **E.U. Risk Retention Requirements**). The Retention Holder will meet this obligation by retaining 5 per cent. of the nominal value of each Class of Notes sold or transferred to investors. Any change in the manner in which the interest is held may only be made in accordance with the applicable laws and regulations and will be notified to Noteholders in accordance with the Conditions.

See “*E.U. Risk Retention Requirements*” for further information.

**U.S. Credit Risk Retention Requirements**

The Retention Holder (as **Sponsor**) is required under Section 15G of the U.S. Securities Exchange Act of 1934, as amended (the **Exchange Act**) (the **U.S. Credit Risk Retention Requirements**), to ensure that it (or a majority-owned affiliate of the Sponsor) acquires and retains (as described in the section entitled “*U.S. Credit Risk Retention Requirements and Regulatory Considerations*”) an economic interest in the credit risk of the assets collateralising the issuance of ‘asset backed securities’ on the Closing Date in an amount of not less than 5 per cent. The Retention Holder intends to satisfy the U.S. Credit Risk Retention Requirements by designating itself as the sponsor that will acquire and retain, either directly or through a majority-owned affiliate of the Sponsor, an eligible vertical interest in an amount equal to not less than 5 per cent. of the nominal value of each Class of Notes issued by the Issuer on the Closing Date. It will meet this obligation by retaining 5 per cent. of the nominal value of each Class of Notes. See “*U.S. Credit Risk Retention Requirements and Regulatory Considerations*” for further information regarding the U.S. Credit Risk Retention Requirements and the Seller’s compliance with respect thereto.

**Retention**

As at the Closing Date, SCUK will subscribe for 5 per cent. of the Aggregate Note Principal Amount Outstanding of the Class A Notes, 100 per cent. of the Aggregate Note Principal Amount Outstanding of the Class B Notes and 100 per cent. of the Aggregate Note Principal Amount Outstanding of the Class C Note (including for the purpose of complying, in its capacity as Retention Holder, with the E.U. Risk Retention Requirements and the U.S. Credit Risk Retention Requirements). Pursuant to the Subscription Agreement, SCUK will subscribe for, hold and retain (either directly or through an affiliate), for as long as any Class of Notes is outstanding, 100 per cent. of the Class C Note, in order to comply with the exemption from registration under the Investment Company Act under Rule 3a-7 thereunder.

**Distribution**

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or the securities laws of any state or other jurisdiction of the United States and the Notes may not be offered or sold (A) 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 (**Regulation S**)) except to persons that are

“qualified institutional buyers” (**QIBs**) as defined in Rule 144A under the Securities Act (**Rule 144A**) acting for their own account or for the account of one or more QIBs in reliance on Rule 144A, or (B) in transactions that occur outside the United States to persons other than U.S. persons pursuant to Regulation S or (C) in other transactions exempt from or not subject to the registration requirements under the Securities Act and, in each case, in compliance with applicable state and federal securities laws. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain further restrictions on offers, sales and transfers of Notes, see “*Transfer Restrictions*”.

**Volcker Rule**

The Issuer is not, and after giving effect to any offering and sale of the Notes and the application of the proceeds thereof will not be, a “covered fund” for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended (commonly known as the **Volcker Rule**). In reaching this conclusion, although other statutory or regulatory exclusions and/or exemptions under the Investment Company Act of 1940, as amended (the **Investment Company Act**) and under the Volcker Rule and its related regulations may be available, the Issuer has relied on the determination that (i) it may rely on the exemption from registration under the Investment Company Act under Rule 3a-7 under the Investment Company Act and (ii) it does not constitute a “covered fund” for the purposes of the Volcker Rule. Any prospective investor in the Notes, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding the Volcker Rule and its effects.

**Definitions**

Please refer to “*Glossary of Defined Terms*” for the definitions of the capitalised terms used in this Prospectus.

**Neither the United States Securities and Exchange Commission (the SEC) nor any state securities commission in the United States or any other United States regulatory authority has approved or disapproved the Notes or determined that this Prospectus is truthful or complete. Any representation to the contrary is a criminal offence in the United States.**

**PLEASE CONSIDER CAREFULLY THE RISK FACTORS BEGINNING ON PAGE 33 OF THIS PROSPECTUS.**

*Arranger*

**Banco Santander**

*Managers*

**Citigroup**

**RBC Capital Markets**

**Santander**

**Wells Fargo Securities**

**This Prospectus is dated 19 September 2017**

## IMPORTANT NOTICES

**This Prospectus constitutes a prospectus for the purpose of Article 5(3) of the Prospectus Directive in respect of asset-backed securities within the meaning of Article 2(5) of the Commission Regulation (EC) No. 809/2004 of 29 April 2004 and the relevant implementing provisions in Ireland. This Prospectus has been approved by 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 E.U. law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. Such approval relates only to the Notes which are admitted to trading on a regulated market of the Irish Stock Exchange or other regulated markets for the purpose of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area (EEA). The Issuer designates Ireland as Home Member State for the purpose of the Notes to be issued and the approval of this Prospectus.**

THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT 12 OF ARTICLE 4(1) OF DIRECTIVE 2004/39/EC (**MIFID**) OR (FROM THE DATE OF ITS IMPLEMENTATION INTO APPLICABLE LAW) POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (**MIFID II**); OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC (**INSURANCE MEDIATION DIRECTIVE**), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF MIFID OR (FROM THE DATE OF ITS IMPLEMENTATION INTO APPLICABLE LAW) POINT (10) OF ARTICLE 4(1) OF MIFID II. CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (THE **PRIIPS REGULATION**) FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

### **UNITED STATES DISTRIBUTION RESTRICTIONS**

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THEREFORE 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, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE SECURITIES LAWS. ACCORDINGLY, (A) THE RULE 144A NOTES ARE BEING OFFERED AND SOLD IN THE UNITED STATES ONLY TO QIBs IN EACH CASE ACTING FOR THEIR OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS PURSUANT TO RULE 144A UNDER THE SECURITIES ACT, AND (B) THE REG S NOTES ARE BEING OFFERED AND SOLD ONLY TO NON-U.S. PERSONS OUTSIDE THE UNITED STATES PURSUANT TO REGULATION S UNDER THE SECURITIES ACT. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON REALES OR TRANSFERS, SEE "*TRANSFER RESTRICTIONS*".

There is no undertaking to register the Notes under U.S. state or federal securities laws. Until 40 days after the commencement of the offering, an offer or sale of the Notes within the United States by the Managers (whether or not participating in this offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in compliance with Rule 144A or pursuant to another exemption from the registration requirements of the Securities Act.

Banco Santander, S.A. (**Banco Santander** and the **Arranger**), Santander Investment Securities Inc. (together with Banco Santander, **Santander**), Citigroup Global Markets Limited (**Citigroup**), RBC Europe Limited, RBC Capital Markets, LLC (together with RBC Europe Limited, **RBC**), Wells Fargo Securities International Limited and Wells Fargo Securities, LLC (together with Wells Fargo Securities International Limited, **Wells Fargo** and, together with Santander, Citigroup and RBC, the **Managers**) will subscribe for, or procure subscriptions for, the Class A Notes (other than the Class A Notes to be subscribed for by the Retention Holder). The Managers do not intend to make a market for the Notes.

THE NOTES REPRESENT OBLIGATIONS OF THE ISSUER ONLY AND DO NOT REPRESENT AN INTEREST IN OR OBLIGATION OF THE ARRANGER, THE MANAGERS, THE SELLER, THE SERVICER, THE BACK-UP SERVICER FACILITATOR, ANY SWAP COUNTERPARTY, THE TRUSTEE, THE ACCOUNT BANK, THE TRANSACTION ACCOUNT BANK, THE PRINCIPAL PAYING AGENT, THE U.S. PAYING AGENT, THE REGISTRAR, THE U.S. REGISTRAR, THE AGENT BANK, THE CALCULATION AGENT, THE CASH ADMINISTRATOR, THE SUBORDINATED LOAN PROVIDER, THE LISTING AGENT, THE COMMON SAFEKEEPER, THE COMMON SERVICES PROVIDER, THE DTC CUSTODIAN OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OTHER PARTY TO THE TRANSACTION DOCUMENTS (OTHER THAN, FOR THE AVOIDANCE OF DOUBT, THE ISSUER). NEITHER THE NOTES NOR THE PURCHASED RECEIVABLES WILL BE INSURED OR GUARANTEED BY ANY GOVERNMENTAL AGENCY OR INSTRUMENTALITY OR BY THE ARRANGER, THE MANAGERS, THE SELLER, THE SERVICER, THE BACK-UP SERVICER FACILITATOR, ANY SWAP COUNTERPARTY, THE TRUSTEE, THE ACCOUNT BANK, THE TRANSACTION ACCOUNT BANK, THE PRINCIPAL PAYING AGENT, THE U.S. PAYING AGENT, THE REGISTRAR, THE U.S. REGISTRAR, THE AGENT BANK, THE CALCULATION AGENT, THE CASH ADMINISTRATOR, THE SUBORDINATED LOAN PROVIDER, THE LISTING AGENT, THE COMMON SAFEKEEPER, THE COMMON SERVICES PROVIDER, THE DTC CUSTODIAN OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OTHER PARTY TO THE TRANSACTION DOCUMENTS (OTHER THAN THE ISSUER) OR BY ANY OTHER PERSON OR ENTITY EXCEPT AS DESCRIBED HEREIN.

## **PCS LABEL**

An application has been made to Prime Collateralised Securities (PCS) UK Limited for the Class A Notes to receive the Prime Collateralised Securities label (the **PCS Label**) and the Seller currently expects that the Class A Notes will receive the PCS Label. However, there can be no assurance that the Class A Notes will receive the PCS Label (either before issuance or at any time thereafter) and, if the Class A Notes do receive the PCS Label, there can be no assurance that the PCS Label will not be withdrawn from the Class A Notes at a later date.

The PCS Label is not a recommendation to buy, sell or hold securities. It is not investment advice whether generally or as defined under the Markets in Financial Instruments Directive (2004/39/EC) and it is not a credit rating whether generally or as defined under the CRA Regulation or Section 3(a) of the United States Securities Exchange Act of 1934, as amended (the **Exchange Act**). Prime Collateralised Securities (PCS) UK Limited is not an “expert” as defined in the Securities Act.

By awarding the PCS Label to certain securities, no views are expressed about the creditworthiness of these securities or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for these securities. Investors should conduct their own research regarding the nature of the PCS Label and must read the information set out in <http://pcsmarket.org>. That website and the contents thereof do not form part of this Prospectus.

## **RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS**

The Issuer assumes responsibility for the information contained in this Prospectus. The Issuer hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case),

all information contained herein for which the Issuer is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Santander Consumer (UK) plc accepts responsibility for the sections of this Prospectus headed “*E.U. Risk Retention Requirements*”, “*U.S. Credit Risk Retention Requirements and Regulatory Considerations*”, “*Description of the Portfolio*”, “*Credit and Collection Policy*” and “*The Seller and the Servicer*” (but not, for the avoidance of doubt and to the extent applicable, any information in the sections cross-referred to in such sections). Santander Consumer (UK) plc hereby declares that, to the best of its knowledge and belief, having taken all reasonable care to ensure that such is the case, the information in such sections is in accordance with the facts and contains no omission likely to affect the import of such information.

U.S. Bank National Association accepts responsibility for the section of this Prospectus headed “*The Trustee, the U.S. Registrar, the U.S. Paying Agent and the DTC Custodian*”. U.S. Bank National Association hereby declares that, to the best of its knowledge and belief, having taken all reasonable care to ensure that such is the case, the information in such section is in accordance with the facts and contains no omission likely to affect the import of such information.

Elavon Financial Services DAC accepts responsibility for the section of this Prospectus headed “*The Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Calculation Agent and the Cash Administrator*”. Elavon Financial Services DAC hereby declares that, to the best of its knowledge and belief, having taken all reasonable care to ensure that such is the case, the information in such section is in accordance with the facts and contains no omission likely to affect the import of such information.

Intertrust Management Limited accepts responsibility for the section of this Prospectus headed “*The Corporate Administrator*”. Intertrust Management Limited hereby declares that, to the best of its knowledge and belief, having taken all reasonable care to ensure that such is the case, the information in such section is in accordance with the facts and contains no omission likely to affect the import of such information.

Santander UK plc accepts responsibility for the section of this Prospectus headed “*The Swap Counterparty*”. Santander UK plc hereby declares that, to the best of its knowledge and belief, having taken all reasonable care to ensure that such is the case, the information in such section is in accordance with the facts and contains no omission likely to affect the import of such information.

## **REPRESENTATIONS ABOUT THE NOTES**

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

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

Prospective purchasers of Notes should conduct such independent investigation and analysis as they deem appropriate to evaluate the merits and risks of an investment in the Notes. **If you are in doubt about the contents of this document, you should consult your stockbroker, bank manager, legal adviser, accountant or other financial adviser.** Neither the Arranger nor any Manager nor any other Transaction Party (other than the Issuer and, only in respect of those sections of this Prospectus described in the relevant paragraph of “—*Responsibility for the Contents of this Prospectus*”, Santander Consumer (UK) plc, U.S.



Bank National Association, Elavon Financial Services DAC, Intertrust Management Limited, and Santander UK plc) makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied by the Issuer in connection with the Notes or accepts any responsibility or liability therefor. Neither the Arranger nor any Manager nor any other Transaction Party (other than the Issuer) undertakes to review the financial condition or affairs of the Issuer or to advise any investor or potential investor in the Notes of any information coming to its attention.

## **SELLING RESTRICTIONS**

*No action has been taken by the Issuer, the Arranger or the Managers other than as set out in this Prospectus that would permit a public offering of the Notes, or possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus (nor any part hereof) nor any other information memorandum, prospectus, form of application, advertisement, other offering material or other information may be issued, distributed or published, in any country or jurisdiction except in compliance with applicable laws, orders, rules and regulations, and the Issuer, the Arranger and the Managers have represented that all offers and sales by them have been and will be made on such terms.*

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

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

## **AVAILABLE INFORMATION**

The Issuer has agreed that, for so long as any of the Class A1 Notes, the Class A2 Notes and the Class B Notes offered pursuant to Rule 144A (together, the **Rule 144A Notes**) remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will be required to furnish, upon request of a holder or of any beneficial owner of such a Rule 144A Note or of any prospective purchaser thereof (as designated by such holder), to such holder or beneficial owner and any prospective purchaser designated by such holder or beneficial owner, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, the Issuer is not a reporting company under Section 13 or Section 15(d) of the Exchange Act or is not exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

## **ENFORCEABILITY OF JUDGMENTS**

The Issuer is a public limited company registered in England and Wales. All of the Issuer’s assets are located outside the United States. None of the officers and directors of the Issuer is a resident of the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or any such person not residing in the United States with respect to matters arising under the federal or state securities laws of the United States, or to enforce against them judgments of courts of the United States predicated upon the civil liability provisions of such securities laws. There is doubt as to the enforceability in England and Wales, in original actions or in actions for the enforcement of judgment of U.S. courts, of civil liabilities predicated solely upon the federal or state securities laws of the United States.

**EACH OF THE MANAGERS HAS REPRESENTED, WARRANTED AND UNDERTAKEN THAT:**

- (A) IT HAS ONLY COMMUNICATED OR CAUSED TO BE COMMUNICATED AND WILL ONLY COMMUNICATE OR CAUSE TO BE COMMUNICATED AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE**

FINANCIAL SERVICES AND MARKETS ACT 2000 (THE **FSMA**)) RECEIVED BY IT IN CONNECTION WITH THE ISSUE OR SALE OF THE 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 MANAGERS HAS REPRESENTED, WARRANTED AND AGREED THAT:

- (A) IT WILL NOT UNDERWRITE THE ISSUE OF, OR PLACE, THE NOTES OTHERWISE THAN IN CONFORMITY WITH THE PROVISIONS OF THE EUROPEAN COMMUNITIES (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2007 (NO'S 1 TO 3), AS AMENDED, INCLUDING, WITHOUT LIMITATION, PARTS 6, 7, AND 12 THEREOF AND ANY CODES OF CONDUCT ISSUED IN CONNECTION THEREWITH, AND THE PROVISIONS OF THE INVESTOR COMPENSATION ACT 1998 AND THE INVESTMENT INTERMEDIARIES ACT 1995, AS AMENDED, AND IT WILL CONDUCT ITSELF IN ACCORDANCE WITH ANY CODES AND RULES OF CONDUCT, CONDITIONS, REQUIREMENTS AND ANY OTHER ENACTMENT IMPOSED OR APPROVED BY THE CENTRAL BANK WITH RESPECT TO ANYTHING DONE BY IT IN RELATION TO THE NOTES;
- (B) IT WILL NOT UNDERWRITE THE ISSUE OF, OR PLACE, THE NOTES OTHERWISE THAN IN CONFORMITY WITH THE PROVISIONS OF THE CENTRAL BANK ACTS 1942-2015, AS AMENDED, ANY CODES OF CONDUCT, RULES MADE UNDER SECTION 117(1) OF THE CENTRAL BANK ACT 1989 AND ANY REGULATIONS ISSUED PURSUANT TO PART 8 OF THE CENTRAL BANK (SUPERVISION AND ENFORCEMENT) ACT 2013, AS AMENDED;
- (C) IT WILL NOT UNDERWRITE THE ISSUE OF, OR PLACE, OR DO ANYTHING IN RESPECT OF THE NOTES OTHERWISE THAN IN CONFORMITY WITH THE PROVISIONS OF THE PROSPECTUS (DIRECTIVE 2003/71/EC) REGULATIONS 2005, AS AMENDED, AND ANY RULES ISSUED UNDER SECTION 1363 OF THE COMPANIES ACT 2014, AS AMENDED, BY THE CENTRAL BANK;
- (D) IT WILL NOT UNDERWRITE THE ISSUE OF, OR PLACE, OR DO ANYTHING IN RESPECT OF THE NOTES OTHERWISE THAN IN COMPLIANCE WITH THE PROVISIONS OF (A) THE MARKET ABUSE REGULATION (REGULATION EU 596/2014); (B) THE MARKET ABUSE DIRECTIVE ON CRIMINAL SANCTIONS FOR MARKET ABUSE (DIRECTIVE 2014/57/EU); (C) THE EUROPEAN UNION (MARKET ABUSE) REGULATIONS 2016 (S.I. NO. 349 OF 2016), AS AMENDED; AND (D) ANY RULES ISSUED BY THE CENTRAL BANK PURSUANT THERETO AND/OR UNDER SECTION 1370 OF THE COMPANIES ACT 2014, AS AMENDED; AND
- (E) TO THE EXTENT APPLICABLE, IT HAS COMPLIED WITH, AND IT WILL NOT UNDERWRITE THE ISSUE OF, OR PLACE, OR DO ANYTHING IN RESPECT OF THE NOTES OTHERWISE THAN IN COMPLIANCE WITH THE PROVISIONS OF COMPANIES ACT 2014, AS AMENDED.

*This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates or an offer to sell or the solicitation of an offer to buy any of the securities offered hereby in any circumstances in which such offer or solicitation is unlawful. This Prospectus does not constitute, and may not be used for, or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. For a further description of certain restrictions on offerings and sales of the Notes and distribution of this Prospectus, or an invitation by, or on behalf of, the Issuer, the Arranger or the*

*Managers to subscribe for or to purchase any of the Notes (or of any part thereof), see “Subscription and Sale”.*

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

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

## **INTERPRETATION**

For a summary of the definitions of capitalised words and phrases used in this Prospectus, see “*Glossary of Defined Terms*”.

## **FORWARD LOOKING STATEMENTS**

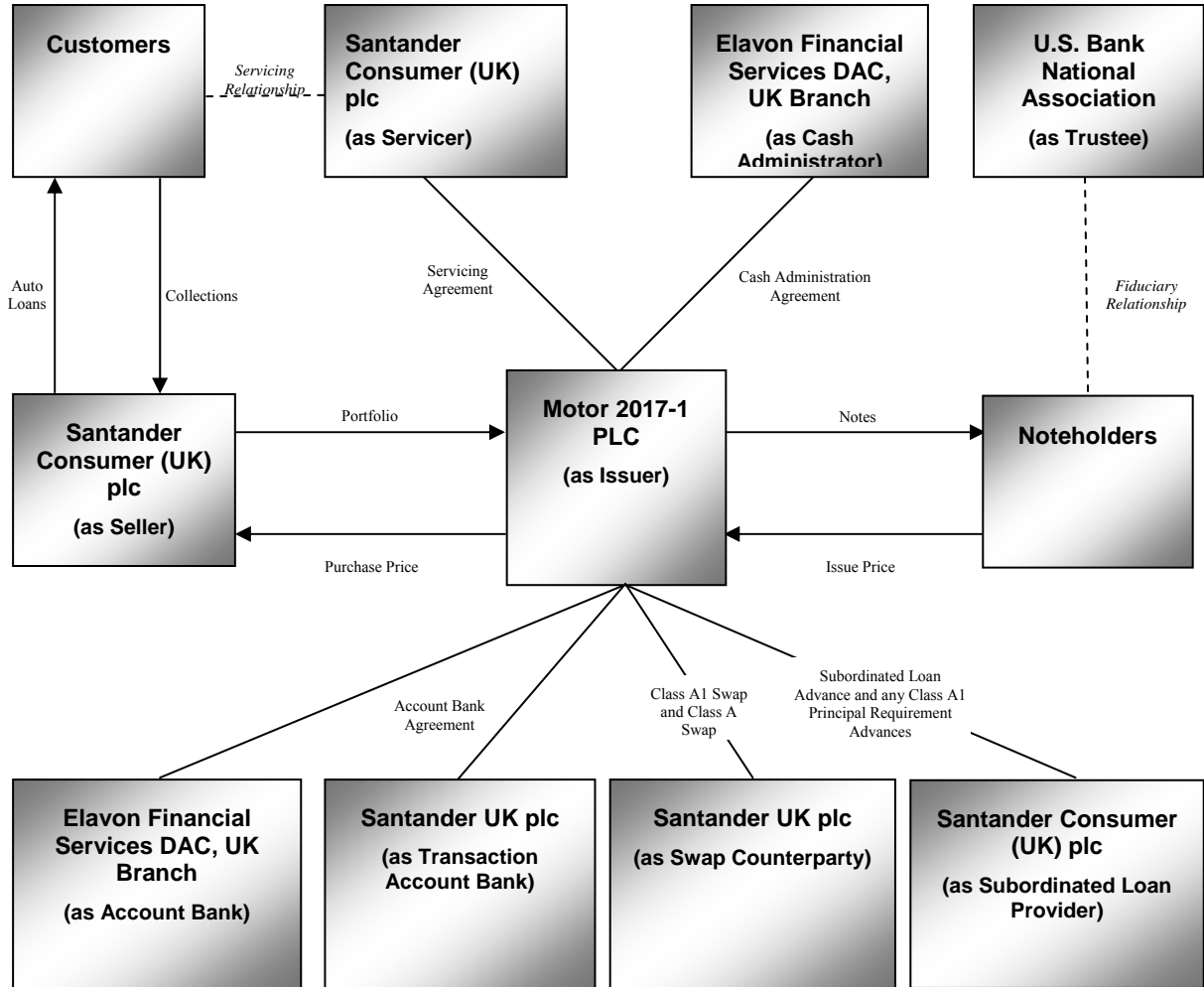
Certain matters contained herein are forward-looking statements. Such statements appear in a number of places in this Prospectus, including with respect to assumptions on prepayment and certain other characteristics of the Underlying Agreements and Purchased Receivables, and reflect significant assumptions 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. None of the Transaction Parties (other than the Issuer) has attempted to verify any such statements, nor makes 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 Transaction Parties assumes any obligation to update these forward-looking statements or to update the reasons for which actual results could differ materially from those anticipated in the forward-looking statements.

## CONTENTS

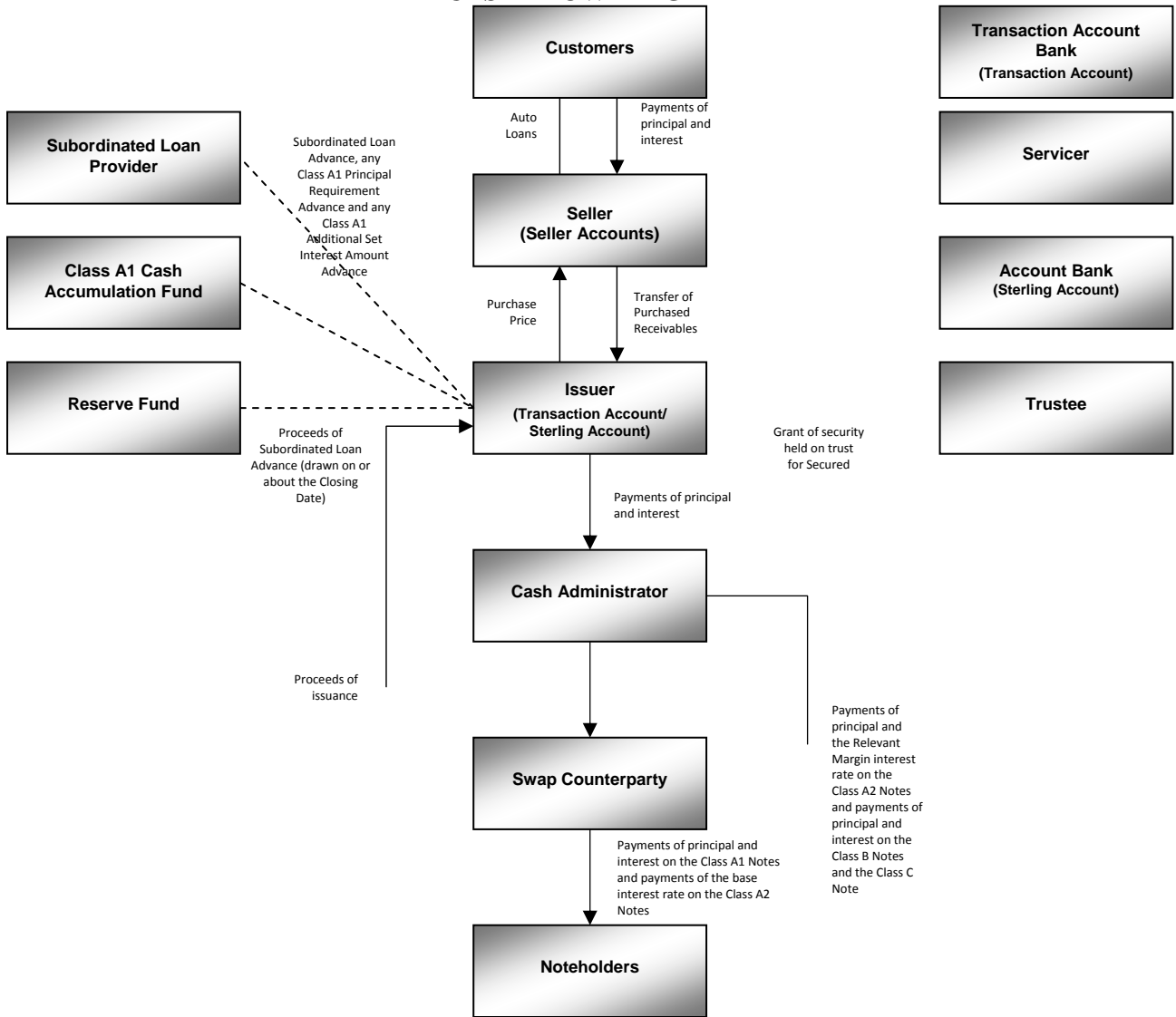
|  | <b>Page</b> |
|--|-------------|
| OVERVIEW OF THE TRANSACTION.....   | 1           |
| RISK FACTORS.....  | 33          |
| E.U. RISK RETENTION REQUIREMENTS.....  | 72          |
| U.S. CREDIT RISK RETENTION REQUIREMENTS AND REGULATORY CONSIDERATIONS.....   | 73          |
| INFORMATION REGARDING THE POLICIES AND PROCEDURES OF THE SELLER.....   | 75          |
| TRIGGERS TABLES.....   | 76          |
| FEES.....  | 87          |
| CREDIT STRUCTURE.....  | 88          |
| DESCRIPTION OF THE NOTES IN GLOBAL FORM.....   | 95          |
| TERMS AND CONDITIONS OF THE NOTES.....   | 102         |
| OVERVIEW OF THE TRANSACTION DOCUMENTS.....   | 140         |
| EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS.....   | 155         |
| DESCRIPTION OF THE PORTFOLIO.....  | 157         |
| ELIGIBILITY CRITERIA.....  | 161         |
| INFORMATION TABLES REGARDING THE PORTFOLIO.....  | 164         |
| CREDIT AND COLLECTION POLICY.....  | 216         |
| THE ISSUER.....  | 219         |
| CAPITALISATION AND INDEBTEDNESS STATEMENT.....   | 221         |
| THE SELLER AND THE SERVICER.....   | 222         |
| THE TRUSTEE, THE U.S. REGISTRAR, THE U.S. PAYING AGENT AND THE DTC CUSTODIAN.....  | 226         |
| THE ACCOUNT BANK, THE PRINCIPAL PAYING AGENT, THE AGENT BANK, THE REGISTRAR, THE CALCULATION AGENT AND THE CASH ADMINISTRATOR..... | 227         |
| THE CORPORATE ADMINISTRATOR.....   | 228         |
| THE SWAP COUNTERPARTY.....   | 229         |
| USE OF PROCEEDS.....   | 230         |
| UNITED KINGDOM TAXATION.....   | 231         |
| UNITED STATES TAXATION.....  | 232         |
| FOREIGN ACCOUNT TAX COMPLIANCE ACT.....  | 236         |
| SUBSCRIPTION AND SALE.....   | 237         |
| TRANSFER RESTRICTIONS.....   | 242         |
| CERTAIN ERISA AND OTHER U.S. CONSIDERATIONS.....   | 249         |
| GLOSSARY OF DEFINED TERMS.....   | 252         |
| GENERAL INFORMATION.....   | 299         |

# OVERVIEW OF THE TRANSACTION

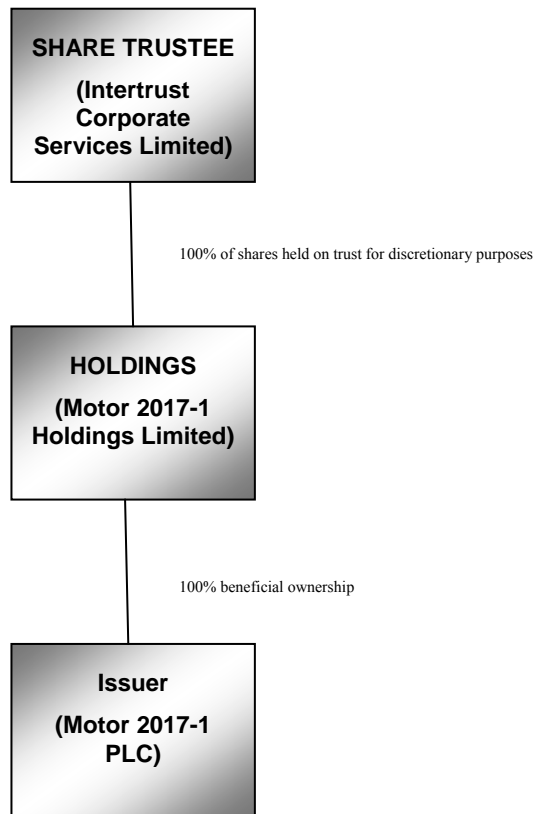
## DIAGRAMMATIC OVERVIEW OF THE TRANSACTION



# CASH FLOW DIAGRAM



## 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 constituted by a declaration of trust, the benefit of which is expressed to be for discretionary purposes.

## OVERVIEW OF THE TRANSACTION PARTIES ON THE CLOSING DATE

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

The section headed “*Glossary of Defined Terms*” contains a summary of the meanings given to certain defined terms used in this Prospectus.

|   |  |
|---|--|
| <b>Issuer</b>   | Motor 2017-1 PLC, a special purpose company incorporated with limited liability under the laws of England and Wales, which has its registered office at 35 Great St. Helen's, London EC3A 6AP, United Kingdom. See “ <i>The Issuer</i> ”.  |
| <b>Holdings</b>   | Motor 2017-1 Holdings Limited, a special purpose company incorporated with limited liability under the laws of England and Wales, which has its registered office at 35 Great St. Helen's, London EC3A 6AP, United Kingdom. See “ <i>The Issuer</i> ”.                                 |
| <b>Share Trustee</b>  | Intertrust Corporate Services Limited (formerly SFM Corporate Services Limited), which has its registered office at 35 Great St. Helen's, London EC3A 6AP, United Kingdom.   |
| <b>Corporate Administrator</b>                                  | Intertrust Management Limited, which has its office at 35 Great St. Helen's, London EC3A 6AP, United Kingdom. See “ <i>The Corporate Administrator</i> ” and “ <i>Overview of the Transaction Documents—Corporate Administration Agreement</i> ”.                                      |
| <b>Seller</b>   | Santander Consumer (UK) plc ( <b>SCUK</b> ), which has its registered office at Santander House, 86 Station Road, Redhill, Surrey RH1 1SR, United Kingdom. See “ <i>The Seller and the Servicer</i> ” and “ <i>Overview of the Transaction Documents—Receivables Sale Agreement</i> ”. |
| <b>Servicer</b>   | SCUK. See “ <i>The Seller and the Servicer</i> ” and “ <i>Overview of the Transaction Documents—Servicing Agreement</i> ”.   |
| <b>Back-up Servicer Facilitator</b>                             | Banco Santander, S.A. ( <b>Banco Santander</b> ), which has its registered office at Paseo de Pereda 9-12, Santander, Spain. See “ <i>Overview of the Transaction Documents—Servicing Agreement—Back-up Servicing Facilitation</i> ”.  |
| <b>Trustee</b>  | U.S. Bank National Association ( <b>U.S. Bank</b> ), which has its registered office at 1 Federal Street, 3rd Floor, Boston, Massachusetts 02110, United States. See “ <i>The Trustee, the U.S. Registrar, the U.S. Paying Agent and the DTC Custodian</i> ”.                          |
| <b>Class A1 Swap Counterparty and Class A Swap Counterparty</b> | Santander UK plc ( <b>Santander UK</b> ), which has its registered office at 2 Triton Square, Regent's Place, London NW1 3AN, United Kingdom. See “ <i>The Swap Counterparty</i> ” and “ <i>Overview of the Transaction Documents—Swap Agreements</i> ”.                               |
| <b>Subordinated Loan Provider</b>                               | SCUK. See “ <i>Overview of the Transaction Documents—Subordinated Loan Agreement</i> ”.  |
| <b>Account Bank</b>   | Elavon Financial Services DAC, UK Branch, which has its registered office at 125 Old Broad Street, Fifth Floor, London EC2N 1AR, United Kingdom. See “ <i>The Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Calculation Agent</i> ”.                    |



*and the Cash Administrator” and “Overview of the Transaction Documents—Account Bank Agreement”.*

|   |   |
|---|---|
| <b>Transaction Account Bank</b>                                 | Santander UK. See “ <i>Overview of the Transaction Documents—Account Bank Agreement</i> ”.  |
| <b>Arranger</b>   | Banco Santander, S.A. See “ <i>Overview of the Transaction Documents—Subscription Agreement</i> ”.  |
| <b>Managers</b>   | Banco Santander, S.A., Santander Investment Securities Inc., Citigroup Global Markets Limited, RBC Europe Limited, RBC Capital Markets, LLC, Wells Fargo Securities International Limited and Wells Fargo Securities, LLC. See “ <i>Overview of the Transaction Documents—Subscription Agreement</i> ”.                                   |
| <b>Cash Administrator</b>                                       | Elavon Financial Services, DAC, UK Branch. See “ <i>The Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Calculation Agent and the Cash Administrator</i> ” and “ <i>Overview of the Transaction Documents—Cash Administration Agreement</i> ”.   |
| <b>Principal Paying Agent, Agent Bank and Calculation Agent</b> | Elavon Financial Services, DAC, UK Branch. See “ <i>The Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Calculation Agent and the Cash Administrator</i> ” and “ <i>Overview of the Transaction Documents—Agency Agreement</i> ”.  |
| <b>U.S. Registrar, DTC Custodian and U.S. Paying Agent</b>      | U.S. Bank National Association, which has its registered office at 1 Federal Street, 3rd Floor, Boston, Massachusetts 02110, United States. See “ <i>The Trustee, the U.S. Registrar, the U.S. Paying Agent and the DTC Custodian</i> ”.  |
| <b>Listing Agent</b>  | Walkers Listing Services Limited, which has its registered office at The Anchorage, 17-19 Sir John Rogerson’s Quay, Dublin 2, Ireland.  |
| <b>Rating Agencies</b>  | Standard & Poor’s Credit Market Services Europe Limited and Moody’s Investors Service Limited, each of which is established and operating in the EU, is registered for the purposes of the CRA Regulation and is supervised by the European Securities and Markets Authority.   |
| <b>Registrar</b>  | Elavon Financial Services DAC, which has its registered office at Block E, Cherrywood Business Park, Dublin, Ireland. See “ <i>The Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Calculation Agent and the Cash Administrator</i> ” and “ <i>Overview of the Transaction Documents—Agency Agreement</i> ”. |

## OVERVIEW OF PORTFOLIO AND SERVICING

Please refer to the sections entitled “*Description of the Portfolio*”, “*Overview of the Transaction Documents*” and “*Credit and Collection Policy*” for further detail in respect of the characteristics of the Portfolio and the sale and servicing arrangements in respect of the Portfolio.

**The Transaction** The Seller will sell, transfer and assign the Initial Portfolio to the Issuer, on or before the Closing Date, and may thereafter sell, transfer and assign any Further Receivables and their Related Collateral on any Further Purchase Date, pursuant to the Receivables Sale Agreement. See “*Overview of the Transaction Documents—Receivables Sale Agreement*”. None of the assets backing the Notes is itself an asset-backed security or other securitisation position, and the transaction is also not a “synthetic” securitisation, in which risk transfer would be achieved through the use of credit derivatives or other similar financial instruments.

**Purchased Receivables and Related Collateral** The Portfolio underlying the Notes shall comprise the Initial Portfolio and the Further Receivables and Related Collateral and consists of payment obligations, arising under the Underlying Agreements entered into between the Seller and the Customers for the purpose of financing the acquisition of the Financed Vehicles, which are originated by the Seller in its ordinary course of business. The Aggregate Asset Amount Outstanding, as at the beginning of business on the Reference Date immediately preceding the Initial Purchase Date, was £598,802,048.78 (which excludes £406,597,106.15 apportioned by the Servicer to the Guaranteed Future Value Payment component of Purchased Receivables subject to PCP Agreements). As further described below, the Notes are not backed by payments made by way of Guaranteed Future Value Payments in respect of Purchased Receivables subject to PCP Agreements. See “*Description of the Portfolio*”.

The information presented in this Prospectus relates to a provisional portfolio (the **Provisional Portfolio**) of Receivables and the related Financed Vehicles as at 31 July 2017 (the **Cut-Off Date**). The actual pool of Receivables (i) identified in any Notice of Sale and (ii) sold to the Issuer on the Initial Purchase Date (which will be randomly selected from the provisional portfolio of Receivables which the Seller determines comply with the Eligibility Criteria on the Closing Date) or any Further Purchase Date (which will be randomly selected from the Seller’s portfolio of Receivables which the Seller determines comply with the Eligibility Criteria, adjusted (if necessary) by randomly excluding Receivables which would otherwise cause a breach of any Concentration Limit) will vary from those included in the provisional pool, but the Seller will represent to the Issuer and the Trustee on each Purchase Date that each Purchased Receivable and each Underlying Agreement complies with the Eligibility Criteria. The Seller believes that the information in “*Information Tables Regarding the Portfolio*” is representative of the characteristics of the pool of Purchased Receivables that will be randomly selected on the Closing Date, although the portfolio averages and numerical data relating to the distribution of the Purchased Receivables between PCP - New, PCP - Used, Conditional Sale - New and Conditional Sale - Used described in “*Information Tables Regarding the Portfolio*” may vary within a range of plus or minus 5 per cent.

Purchased Receivables arise under two types of Underlying Agreements: Conditional Sale Agreements and PCP Agreements (see “*Description of the Portfolio*”). Under each type of Underlying Agreement, Scheduled Payments will be made by Customers on a monthly basis. Under a PCP Agreement, in addition to Scheduled Payments, Customers also have the option to make, on maturity, a Guaranteed Future Value Payment and take ownership of the related Financed Vehicle (or otherwise surrender the Financed Vehicle). The Servicer will apportion amounts received in respect of Underlying

Agreements between Scheduled Payments and, if applicable, Guaranteed Future Value Payments (see “*Overview of the Transaction Documents—Servicing Agreement*”). Amounts collected and apportioned by the Servicer to the Guaranteed Future Value Payment component of any PCP Agreement shall be paid to the Seller by way of Senior Deferred Consideration and shall not form a part of the Available Distribution Amount applied to *inter alia* make payments in respect of the Notes or the Aggregate Asset Amount Outstanding. See “*Overview of the Transaction Documents—Receivables Sale Agreement*”, “*Overview of the Transaction Documents—Servicing Agreement*” and “*Description of the Portfolio—PCP Agreements*”.

Title to each Financed Vehicle will remain with the Seller until it is transferred to the relevant Customer in accordance with the corresponding Underlying Agreement or sold by the Servicer (i) following repossession of such Financed Vehicle from the relevant Customer or (ii) if, pursuant to a PCP Agreement, the relevant Customer terminates such PCP Agreement and returns the Financed Vehicle to the Seller. See “*Overview of the Transaction Documents—Receivables Sale Agreement*”.

Approximately 32.84 per cent. of the aggregate outstanding balance of the Underlying Agreements in the Provisional Portfolio as at the Cut-Off Date correspond to the Scheduled Payments component of PCP Agreements (and approximately 39.63 per cent. of the aggregate outstanding balance of the Underlying Agreements in the Provisional Portfolio corresponds to the Guaranteed Future Value Payment component of PCP Agreements). The percentage of the Underlying Agreements by Aggregate Asset Amount Outstanding that are PCP Agreements on the Initial Purchase Date and following the addition of Further Receivables on each Further Purchase Date shall be at least 50 per cent.

Any sums received by the Seller from any Customer, surety or guarantor to which the Issuer is entitled, including any proceeds of the sale of any Financed Vehicles which are the subject of a PCP Agreement and the related Guaranteed Future Value Payments, will be held by the Seller on trust for the benefit of the Issuer. The Purchased Receivables will include any Guaranteed Future Value Payments in respect of Receivables arising under PCP Agreements, although any amounts apportioned by the Servicer to Guaranteed Future Value Payments shall be paid to the Seller as Senior Deferred Consideration in accordance with the Receivables Sale Agreement and the Servicing Agreement.

#### **Consideration**

Consideration for the Purchased Receivables and the Related Collateral will be comprised of cash payments in the form of (i) the Initial Purchase Price payable by Issuer to the Seller on the Initial Purchase Date and the Further Receivables Purchase Price payable by the Issuer to the Seller on each Further Purchase Date and (ii) deferred consideration in the form of the Senior Deferred Consideration and the Junior Deferred Consideration, in each case payable by the Issuer to the Seller on each relevant Payment Date and subject, in all cases, to the conditions on payment of such amounts under the Receivables Sale Agreement and the Conditions. Under the Receivables Sale Agreement, SCUK may not assign or transfer or purport to assign or transfer any of its rights to receive Deferred Consideration. See “*Overview of the Transaction Documents—Receivables Sale Agreement*” and “*Terms and Conditions of the Notes*”.

#### **Seller Asset Warranties**

Under the Receivables Sale Agreement, the Seller will make certain representations and warranties to the Issuer with respect to the Purchased Receivables on the Initial Purchase Date and each Further Purchase Date (see “*Overview of the Transaction Documents—Receivables Sale Agreement*”).

A breach of a Seller Asset Warranty will be deemed to be a **Seller Asset Warranty**

**Breach** if such breach materially and adversely affects the Issuer's interest in the affected Purchased Receivable (without regard to credit enhancement, if any) and, if such breach is capable of remedy, it has not been remedied within the grace period set forth under “—*Non-Compliant Receivables*”. A Purchased Receivable affected by a Seller Asset Warranty Breach is referred to as a **Non-Compliant Receivable**.

**Non-Compliant Receivables**

Upon the occurrence of a Seller Asset Warranty Breach, unless such Seller Asset Warranty Breach is a breach of either item (b) or (c) of the definition of Concentration Limits (see “*Glossary of Defined Terms*” for a summary of the Concentration Limits), or if a Purchased Receivable is found not to exist, the Seller shall repurchase the related Non-Compliant Receivable and its Related Collateral at the Non-Compliant Receivable Repurchase Price.

If a breach capable of becoming a Seller Asset Warranty Breach is capable of remedy, the Issuer shall select a date for the repurchase of the relevant Receivable and its Related Collateral, in any event to be no earlier than the 30th Business Day following the Seller becoming actually aware, or being notified, of such breach, in order to give the Seller time to remedy the breach. If the Seller does not remedy the breach within that time period, it shall repurchase the relevant Non-Compliant Receivable and its Related Collateral on the date selected by the Issuer.

If a breach capable of becoming a Seller Asset Warranty Breach is not capable of remedy, the Seller shall repurchase the Non-Compliant Receivable and its Related Collateral no later than the 30th Business Day following the Seller becoming actually aware, or being notified, of such breach.

If a Purchased Receivable is found not to exist or if there has been a breach of the limits specified in items (b) or (c) of the definition of Concentration Limits, the Seller will not be obliged to repurchase such non-existent Purchased Receivable or, as the case may be, repurchase any Purchased Receivables for the purpose of rectifying such breach of the Concentration Limits, but will instead be required to indemnify the Issuer in an amount calculated by the Servicer as equal to the portion of the Purchase Price related to the relevant Purchased Receivable. Such indemnified amount shall be due and payable by the Seller within 10 Business Days of receipt of a written notice of such breach in respect of the non-existent Purchased Receivable from the Issuer.

**Other Seller Warranty Breaches**

Following the Seller becoming aware of a breach of any of the Seller Warranties (excluding a Seller Asset Warranty), it shall promptly (but in any case within one Business Day) notify the Issuer and the Trustee. Within five Business Days of notification by the Seller, the Issuer or the Cash Administrator (acting on behalf of the Issuer) will calculate the amount of the Compensation Payment (if any) in respect of such breach and notify the Seller of such calculation. The Seller must pay the Compensation Payment to the Issuer within 10 Business Days of the notification of the amount of the Compensation Payment.

**Defaulted Receivables**

Pursuant to the Receivables Sale Agreement, the Seller may from time to time repurchase from the Issuer any Defaulted Receivable (see “*Glossary of Defined Terms*” for the characteristics of a Defaulted Receivable) and its Related Collateral, as described in more detail under “*Credit and Collection Policy*”.

The repurchase price for a Defaulted Receivable and its Related Collateral will be equal to the Defaulted Receivable Repurchase Price, which will be set out in the related Repurchase Notice and is described under “*Glossary of Defined Terms*”. See also the section entitled “*Overview of the Transaction Documents—Receivables Sale Agreement—Repurchase of Defaulted Receivables*”.

**Servicing of the Portfolio**

The Purchased Receivables and the Related Collateral will be serviced by SCUK (unless its appointment is terminated pursuant to the Servicing Agreement) in its capacity as Servicer under the Servicing Agreement. On each Payment Date, the Issuer will pay to the Servicer a servicing fee in arrear equal to 0.75 per cent. per annum of the aggregate of (i) the Aggregate Asset Amount Outstanding and (ii) the Guaranteed Future Value Payment component of Purchased Receivables subject to PCP Agreements, in each case determined as at the Calculation Date immediately preceding such Payment Date (inclusive of VAT, if any).

Upon any termination of the appointment of SCUK as Servicer, the Purchased Receivables and the Related Collateral will be serviced by a Successor Servicer appointed by the Issuer. See “*Overview of the Transaction Documents—Servicing Agreement*” and “*Credit and Collection Policy*”.

Banco Santander will agree in the Servicing Agreement to act as a back-up servicer facilitator (the **Back-up Servicer Facilitator**), which will require it to (i) use reasonable endeavours to select a Successor Servicer satisfying the requirements set out in the Servicing Agreement and willing to assume the duties of a Successor Servicer in the event that a Servicer Termination Notice is delivered, (ii) review the information provided to it by the Servicer under the Servicing Agreement, (iii) enter into appropriate data confidentiality provisions, (iv) verify and confirm that the terms of any replacement servicing agreement require the Successor Servicer to put in place new direct debit mandates, (v) notify the Servicer if it requires further assistance, (vi) assist the Servicer to deliver a Notification Event Notice with respect to a Servicer Termination Event, and (vii) verify and confirm that the terms of any replacement servicing agreement require the Successor Servicer to set up alternative payment arrangements with the Customers with respect to a Servicer Termination Event.

**Collections**

The Customers currently make payments under the Underlying Agreements into the Seller Accounts held in the name of the Seller at Santander UK and The Royal Bank of Scotland plc (together with any additional or substitute bank accounts specified as such by or on behalf of the Seller). As the Seller Accounts are not held solely for the purpose of receiving Collections, the Seller will transfer all Collections paid into the Seller Accounts to the Transaction Account held in the name of the Issuer within one Business Day following receipt thereof. On the Business Day before each Payment Date, the Cash Administrator will transfer certain amounts standing to the credit of the Transaction Account into the Sterling Account. Subject to the Pre-Enforcement Priority of Payments, the Collections (excluding, for the avoidance of doubt, any Seller Amounts, any amounts received by the Issuer but held on trust for the benefit of the Seller in accordance with the Receivables Sale Agreement and any amounts received by the Issuer as Collections and apportioned by the Servicer to the Guaranteed Future Value Payment component of any PCP Agreement) will be available for the payment of interest and principal on the Notes. See “*Overview of the Transaction Documents—Seller Accounts Declaration of Trust*” and “*Overview of the Transaction Documents—Account Bank Agreement*”. See “*Glossary of Defined Terms*” for a description of the amounts that constitute Collections.

**Collection Period**

In relation to each Calculation Date, the applicable Collection Period will commence on (but exclude) the immediately preceding Calculation Date and end on (and include) such Calculation Date. The Collection Period with respect to the First Payment Date will commence on (but exclude) the Reference Date in respect of the Initial Purchase Date and end on (and include) 29 September 2017, which is the Calculation Date immediately following the Closing Date.

**Further**

During the Revolving Period, the Seller may (in its absolute discretion) sell and assign

**Receivables** Further Receivables and their Related Collateral to the Issuer for the relevant Further Receivables Purchase Price on a given Further Purchase Date.

These Further Receivables and their Related Collateral will be specified in a Notice of Sale furnished to the Issuer and will be paid for by the Issuer with amounts allocated for that purpose under the Pre-Enforcement Priority of Payments.

**Revolving Period** The Revolving Period commences on (and includes) the Closing Date and ends on (but excludes) the earlier of (i) the Payment Date falling in October 2018 (the **Revolving Period End Date**) and (ii) the date on which a Revolving Period Termination Event occurs (the **Revolving Period Termination Date**). Following the termination of the Revolving Period, no Further Receivables may be sold to the Issuer.

**Revolving Period Termination Event** The occurrence of any of the following events will constitute a Revolving Period Termination Event:

- (a) an Issuer Event of Default or Notification Event;
- (b) a change of control with respect to the Seller;
- (c) a Negative Carry Event;
- (d) the Three Month Moving Average of Delinquent Receivables as at the related Calculation Dates expressed as a percentage of the Aggregate Asset Amount Outstanding of the Purchased Receivables on such Calculation Dates exceeds 1 per cent.;
- (e) a Principal Payment Trigger Event;
- (f) an Event of Default or Termination Event under the Swap Agreements (each as defined therein);
- (g) a Reserve Shortfall; or
- (h) the Cumulative Gross Defaulted Receivables expressed as a percentage of the Aggregate Asset Amount Outstanding of the Initial Portfolio exceeds 1.25 per cent.

For the full particulars of when a Revolving Period Termination Event occurs, see “*Glossary of Defined Terms*”.

## OVERVIEW 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

|                                    | <u>Class A1</u>   | <u>Class A2</u>  | <u>Class B</u>   | <u>Class C</u>  |
|------------------------------------|---|--|--|-----------------|
| <b>Initial Principal Amount</b>    | \$400,000,000   | £245,000,000   | £15,000,000  | £36,000,000     |
| <b>Credit Enhancement Features</b> | Class A1 Cash Accumulation Fund, Reserve Fund, excess spread, subordination of the Class B Notes and the Class C Note   | Reserve Fund, excess spread, subordination of the Class B Notes and the Class C Note | Reserve Fund, excess spread, subordination of the Class C Note | Excess spread   |
| <b>Liquidity Support Features</b>  | Class A1 Cash Accumulation Fund, Reserve Fund, Class A1 Swap Reserve Account  | Reserve Fund   | Reserve Fund   | N/A             |
| <b>Issue Price</b>                 | 100%  | 100%   | 100%   | 100%            |
| <b>Interest Rate</b>               | 1 month USD LIBOR + Relevant Margin   | 1 month GBP LIBOR + Relevant Margin  | 1.5%   | 2.0%            |
| <b>Relevant Margin</b>             | 0.53%   | 0.45%  | N/A  | N/A             |
| <b>Interest Accrual Method</b>     | ACT/360   | ACT/365  | ACT/365  | ACT/365         |
| <b>Calculation Date</b>            | The last Business Day of the calendar month immediately preceding each Payment Date   |  |  |                 |
| <b>Payment Dates</b>               | 25 <sup>th</sup> day of each month, commencing on the First Payment Date  |  |  |                 |
| <b>Reporting Date</b>              | In relation to any Calculation Date, the 7 <sup>th</sup> Business Day preceding the Payment Date following such relevant Calculation Date   |  |  |                 |
| <b>Business Day Convention</b>     | Modified Following  |  |  |                 |
| <b>First Payment Date</b>          | 25 October 2017   | 25 October 2017  | 25 October 2017  | 25 October 2017 |
| <b>Interest Period</b>             | In respect of the First Payment Date, the period from (and including) the Closing Date to (but excluding) the First Payment Date and, in respect of any subsequent Payment Date, the period commencing on (and including) a Payment Date to (but excluding) the |  |  |                 |

immediately following Payment Date.

|  |   |                         |                         |                         |
|--|---|-------------------------|-------------------------|-------------------------|
| <b>Pre-Enforcement Redemption Profile on each Payment Date</b> | Scheduled Amortisation (prior to a Principal Payment Trigger Event) and pass through redemption (on or after a Principal Payment Trigger Event) | Pass through redemption | Pass through redemption | Pass through redemption |
|--|---|-------------------------|-------------------------|-------------------------|

In each case, subject to and in accordance with the Pre-Enforcement Priority of Payments. See Condition 7.8 (*Pre-Enforcement Priority of Payments*)

|                                       |                           |     |     |     |
|---------------------------------------|---------------------------|-----|-----|-----|
| <b>Amortisation Commencement Date</b> | Revolving Period End Date | N/A | N/A | N/A |
|---------------------------------------|---------------------------|-----|-----|-----|

**Post-Enforcement Redemption Profile** Following the delivery of an Enforcement Notice, pass through redemption, subject to and in accordance with the Post-Enforcement Priority of Payments. See Condition 7.9 (*Post-Enforcement Priority of Payments*)

**Early Redemption in Full (Clean-Up Call Option)** Available for the Class B Notes and the Class C Note on any Payment Date prior to the delivery of an Enforcement Notice on which all Class A Notes have been redeemed in full and upon which the Seller offers to repurchase the Purchased Receivables in full and the Issuer accepts such repurchase offer, requiring the Issuer to apply the proceeds thereof to redeem the Class B Notes and the Class C Note. See Condition 7.5 (*Early Redemption*)

**Other Early Redemption in Full Event** Tax Call Option. See Condition 7.6 (*Optional Redemption for Taxation Reasons*)

**Legal Maturity Date** Payment Date falling in September 2024

**Form of the Notes** Registered Notes

**Application for Listing** Irish Stock Exchange

|                    |   |   |   |   |
|--------------------|---|---|---|---|
| <b>ISIN</b>        | Reg S:<br>XS1646554581<br>144A:<br>US62006FAA84 | Reg S:<br>XS1646556289<br>144A:<br>XS1646556875 | Reg S:<br>XS1646557170<br>144A:<br>XS1646557410 | Reg S:<br>GB00BZ020P52<br>144A:<br>GB00BZ020P52 |
| <b>Common Code</b> | Reg S: 164655458<br>144A: 168728115             | Reg S: 164655628<br>144A: 164655687             | Reg S: 164655717<br>144A: 164655741             | N/A   |
| <b>CUSIP</b>       | 144A: 62006F AA8                                | N/A   | N/A   | N/A   |



|   |   |   |  |
|---|---|---|--|
| <b>Clearance/<br/>Settlement</b>              | Euroclear/<br>Clearstream<br>Luxembourg/<br>The Depository<br>Trust Company   | Euroclear/<br>Clearstream<br>Luxembourg | N/A  |
| <b>Eurosystem<br/>Eligibility</b>             | The Class A1 Reg S Notes, the Class A2 Rule 144A Notes, the Class A2 Reg S Notes, the Class B Rule 144A Notes and the Class B Reg S Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that such Notes are intended upon issue to be registered in the name of the Common Safekeeper (or a nominee thereof) with one of Euroclear or Clearstream, Luxembourg as Common Safekeeper and does not necessarily mean that the Class A Notes or 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. See “ <i>Risk Factors—Other Considerations Relating to the Notes—Eurosystem Eligibility</i> ”. |   | The Class C Note will not be held in a manner to allow Eurosystem eligibility. |
| <b>Minimum<br/>Denominations</b>              | \$250,000   | £100,000                                | £100,000   |
| <b>Regulation</b>                             | 144A; Reg S   | 144A; Reg S                             | 144A; Reg S  |
| <b>Commission</b>                             | Nil   | Nil                                     | Nil  |
| <b>Status and<br/>Ranking of<br/>Payments</b> | The Notes will constitute direct, secured and (subject to Condition 3.2 ( <i>Limited Recourse</i> )) unconditional obligations of the Issuer. Prior to the delivery of an Enforcement Notice, the Issuer’s obligation to make payments of principal and interest on the Notes will rank in accordance with the Pre-Enforcement Priority of Payments. Following the delivery of an Enforcement Notice, the Issuer’s obligation to make payments of principal and interest on the Notes will rank in accordance with the Post-Enforcement Priority of Payments. See “ <i>Credit Structure—Pre-Enforcement Priority of Payments</i> ”, “ <i>Credit Structure—Post-Enforcement Priority of Payments</i> ” and Condition 2 ( <i>Status and Priority</i> ).   |   |  |
| <b>Limited Recourse</b>                       | 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, such outstanding amounts are deemed to be discharged in full and any payment rights are deemed to cease. See Condition 3 ( <i>Provision of Security; Limited Payment Obligation; Issuer Event of Default</i> ).   |   |  |
| <b>Interest Amount</b>                        | The Interest Amount with respect to each Class of Notes payable on each Payment Date will be calculated as set forth in Condition 6.1 ( <i>Interest Calculation</i> ) at the applicable Interest Rate and for the applicable Interest Period.   |   |  |
| <b>Set Interest<br/>Amount</b>                | Means, on each Payment Date: <ul style="list-style-type: none"> <li>(i) in respect of the Class A1 Notes: <ul style="list-style-type: none"> <li>(a) if the Class A1 Swap has not been terminated, the sum of (1) the Class A1 Set Interest Issuer Payment due by the Issuer to the Class A1 Swap</li> </ul> </li> </ul>  |   |  |

Counterparty under the Class A1 Swap on such Payment Date, in exchange for which the Class A1 Set Interest Swap Counterparty Payment (including any Additional Interest relating thereto payable pursuant to the Class A1 Swap Agreement, but excluding, for the avoidance of doubt, any payments with respect to principal of the Class A1 Notes that might be due on such Payment Date) is payable by the Class A1 Swap Counterparty and (2) the Class A1 Additional GBP Set Interest Amount; or

- (b) if the Class A1 Swap has been terminated, the sum of (1) the GBP amount to be converted into USD at the Spot Rate equal to the Class A1 Set Interest Issuer Payment that would have been payable by the Issuer to the Class A1 Swap Counterparty on such Payment Date if such Class A1 Swap had not been so terminated and (2) an additional GBP amount to be converted into USD at the Spot Rate equal to USD LIBOR plus the Relevant Margin payable in respect of the Class A1 Notes on the excess of the Note Principal Amount Outstanding of the Class A1 Notes over the Class A1 Maximum Swap Notional on the relevant Payment Date, provided that such additional amount shall not be less than zero; and
- (ii) in respect of the Class A2 Notes, the Class B Notes and the Class C Note, the Interest Amount (including any Additional Interest relating thereto) on such Notes, calculated in accordance with Condition 6.1 (*Interest Calculation*).

**Interest Deferral  
& Additional  
Interest**

Interest due and payable on each Class of Notes may be deferred in accordance with Condition 6.6 (*Interest Accrual*), other than the payment by the Issuer of any Set Interest Amounts on the Class A Notes and the Class B Notes. Any failure by the Issuer to pay the Set Interest Amounts to the Class A1 Swap Counterparty, with respect to the Class A1 Notes, or the Principal Paying Agent, with respect to the Class A2 Notes or the Class B Notes, in each case where such Notes are the Controlling Class and which is not cured within five Business Days, will trigger an Issuer Event of Default.

Payments of interest on the Class A Notes and the Class B Notes may only be deferred (a) with respect to the Class A1 Notes, if the Issuer has paid the Set Interest Amount to the Class A1 Swap Counterparty and the Class A1 Swap Counterparty has failed to pay the Interest Amount to the Paying Agent on behalf of the Issuer, or (b) with respect to the Class A1 Notes, the Class A2 Notes or the Class B Notes, as applicable, if the Issuer or the Class A1 Swap Counterparty, as applicable, has paid the relevant Set Interest Amount or Interest Amount, as applicable, to the relevant Paying Agent and the relevant Paying Agent has failed to pay the relevant Interest Amount to the relevant Class A Noteholders or Class B Noteholders. For the avoidance of doubt, payments by the Issuer of Set Interest Amounts to the Class A1 Swap Counterparty or to the Principal Paying Agent, as applicable, on the Class A Notes and (where such Notes are the Controlling Class) the Class B Notes cannot be deferred. Payments of the Set Interest Amount on the Class C Note may be deferred on a Payment Date to the extent the Issuer has insufficient funds to pay such amount.

In each such situation where interest is deferred, the amount of such interest will be deferred until the next Payment Date on which funds are available (after allowing for the Issuer's liabilities of higher priority and subject to and in accordance with the Conditions) to make such payments in accordance with the relevant Priority of Payments, and the Interest Amount scheduled to be paid on such Payment Date for any affected Class of Notes will be increased by the amount of any such deferral.

Further, deferred Interest Amounts will accrue Additional Interest, which may also be deferred under Condition 6.6 (*Interest Accrual*).

**No Tax Gross-Up** All payments of principal of, and interest on, the Notes will be made free and clear of, and without any withholding or deduction for or on account of, tax (if any) in any applicable jurisdiction, unless such withholding or deduction is required by law. If any such withholding or deduction is imposed, the Issuer shall make such payments after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. For the avoidance of doubt, the Issuer is also permitted to withhold or deduct any amounts required pursuant to FATCA as described in more detail under “*Foreign Account Tax Compliance Act*”. Neither the Issuer, nor any Paying Agent, nor any other person will be obliged to pay any additional or further amounts as a result of any such withholding or deduction required by law (including FATCA).

**Legal Maturity Date** Unless previously redeemed in accordance with the Conditions, each Class of Notes will be redeemed on the Legal Maturity Date, subject to the limitations set forth in Condition 3.2 (*Limited Recourse*).

The Issuer will be under no obligation to make any payment under the Notes in respect of any period after the Legal Maturity Date. See Condition 7.4 (*Legal Maturity Date*).

**Amortisation** On each Payment Date on or after the Revolving Period End Date and prior to the occurrence of a Principal Payment Trigger Event and prior to the delivery of an Enforcement Notice, the Notes will be subject to redemption, in accordance with the Pre-Enforcement Priority of Payments, as follows: (A) in an aggregate amount equal to the excess of the Class A Notes Principal over the Class A Target Principal Amount, sequentially in the following order: *first, pari passu* and *pro rata*, on and following the Class A1 Amortisation Commencement Date, the Class A1 Notes in an amount equal to the Class A1 USD Amortisation Amount, and *second*, in respect of the Class A2 Notes, all remaining amounts of Class A Notes Principal in excess of the Class A Target Principal Amount not paid to the Class A1 Noteholders under *first* above, (B) the Class B Notes, in an amount equal to the excess of the Class B Notes Principal over the Class B Target Principal Amount, and (C) the Class C Note, in an amount equal to the excess of the Class C Note Principal over the Class C Target Principal Amount.

To the extent that, on any Payment Date on or after the Revolving Period End Date and prior to the occurrence of a Principal Payment Trigger Event and prior to the delivery of an Enforcement Notice, the Expected Class A1 GBP Amortisation Amount for the Class A1 Notes is greater than the Actual Class A1 GBP Amortisation Amount for the Class A1 Notes, such shortfall shall be added to the Carry Over GBP Amortisation Amount, to be paid on each subsequent Payment Date as part of the Class A1 GBP Amortisation Amount, pursuant to the applicable Priority of Payments until such Carry Over GBP Amortisation Amount is paid in full.

On each Payment Date on and from the occurrence of a Principal Payment Trigger Event but prior to the delivery of an Enforcement Notice, the Notes will be subject to redemption, in accordance with the Pre-Enforcement Priority of Payments, sequentially in the following order: *first, pari passu* and *pro rata* among themselves, the Class A1 Notes and the Class A2 Notes in an aggregate amount equal to the excess of the Class A Notes Principal over the Class A Target Principal Amount, *second*, the Class B Notes in an amount equal to the excess of the Class B Notes Principal over the Class B Target Principal Amount, and *third*, the Class C Note in an amount equal to the excess of the Class C Note Principal over the Class C Target Principal Amount.

On each Payment Date on or after the date of delivery of an Enforcement Notice, the Notes will be subject to redemption, in accordance with Condition 3.2 (*Limited Recourse*) and the Post-Enforcement Priority of Payments, sequentially in the following order: *first, pari passu* and *pro rata* among themselves, the Class A1 Notes and the Class A2 Notes until each such Class is redeemed in full, *second*, the Class B Notes until such Class is redeemed in full, and, *third*, the Class C Note until such Class is redeemed in full.

See Condition 7.2 (*Amortisation*).

**Clean-Up Call Option**

On any Payment Date on or following the Payment Date on which all of the Class A Notes have been redeemed in full, the Seller may offer under the Receivables Sale Agreement to repurchase all of the outstanding Purchased Receivables (together with any Related Collateral) at the Repurchase Price and the Issuer may, in its sole discretion, accept such offer. If the Issuer accepts such offer, it shall, upon due exercise of such Clean-Up Call Option, redeem the Class B Notes and the Class C Note in full (subject to the requirements set out in Condition 7.5 (*Early Redemption*)). The exercise of the Clean-Up Call Option will be subject to there being sufficient proceeds from the Repurchase Price to redeem the Class B Notes and the Class C Note in full and to pay all amounts ranking prior thereto in accordance with the Pre-Enforcement Priority of Payments. See Condition 7.5 (*Early Redemption*).

**Tax Call Option**

In the event that the Issuer is required by law to deduct or withhold any taxes with respect to any payment under the Notes, the Notes may, at the option of the Issuer and subject to certain conditions, be redeemed in full at their then Aggregate Note Principal Amount Outstanding, together with accrued but unpaid interest (if any) to the Payment Date fixed for redemption. See Condition 7.6 (*Optional Redemption for Taxation Reasons*).

**Secured Creditors and Security**

The Trustee, the Noteholders, each Swap Counterparty, the Seller, the Servicer, the Subordinated Loan Provider, the Account Bank, the Transaction Account Bank, the Cash Administrator, the Principal Paying Agent, the U.S. Paying Agent, the Registrar, the U.S. Registrar, the Agent Bank, the Calculation Agent, the Corporate Administrator, the DTC Custodian and any Appointee and any Receiver appointed pursuant to the Deed of Charge will constitute the Secured Creditors.

The obligations of the Issuer under the Notes will be secured by first ranking security interests granted to the Trustee for the benefit of the Noteholders and the other Secured Creditors in respect of certain rights of the Issuer specified in the Deed of Charge, including the Issuer's rights, interests and claims (a) in all of the Purchased Receivables and the Related Collateral, (b) arising under the Transaction Documents to which the Issuer is a party, and (c) in or in relation to any amounts standing to the credit of the Charged Accounts.

**Enforcement**

If an Issuer Event of Default occurs, the Trustee may, in its absolute discretion and, if so directed by an Extraordinary Resolution of the holders of the Controlling Class or so requested in writing by the holders of at least 25 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class, shall (subject, in each case, to being indemnified and/or prefunded and/or secured to its satisfaction) deliver an Enforcement Notice to the Issuer declaring the Notes to be due and payable.

Following the delivery of an Enforcement Notice, the Trustee may, at its discretion and without further notice, institute such proceedings as it thinks fit to enforce the Security and any proceeds obtained from the enforcement of the Security pursuant to the Deed of Charge will be applied exclusively in accordance with the Post-Enforcement Priority of Payments. See Condition 3.8 (*Issuer Event of Default*) and “*Overview of the Transaction Documents—Deed of Charge—Enforcement of the Security*”.

**ERISA  
Considerations**

Subject to certain considerations, the Rule 144A Notes may be purchased and held by an “employee benefit plan” (as defined in Section 3(3) of ERISA) that is subject to Part 4 of Subtitle B of Title I of ERISA, a “plan” as defined in and subject to Section 4975 of the Code, or any entity whose underlying assets include “plan assets” for purposes of Section 406 of ERISA or Section 4975 of the Code by reason of an employee benefit plan’s or plan’s investment in the entity (each of the foregoing, a **Benefit Plan Investor**) or any employee benefit plan subject to any U.S. federal, state, local or non-U.S. or other law that is substantially similar to Section 406 of ERISA or Section 4975 of the Code (**Similar Law**). The Reg S Notes and the Class C Note may not be purchased or held by Benefit Plan Investors or, unless there will be no violation of Similar Law, employee benefit plans that are not Benefit Plan Investors and that are subject to Similar Law. See “*Certain ERISA and Other U.S. Considerations*”.

**Debt for U.S. Tax  
Purposes**

The Issuer intends to take the position that the Rule 144A Notes represent debt of the Issuer for United States federal income tax purposes. Special U.S. Tax Counsel is of the opinion that, although there is no precedent directly on point, the Rule 144A Notes will, when issued, be treated as indebtedness of the Issuer for U.S. federal income tax purposes. Investors should read “*United States Taxation—Treatment of Rule 144A Notes*”. Each holder, by purchasing the Rule 144A Notes, agrees to treat such Notes as indebtedness for U.S. federal income tax purposes.

**Governing Law**

The Notes will be governed by, and construed in accordance with, English law. All of the Transaction Documents will also be governed by English law or, in the case of certain security and sale provisions, Scots or Northern Irish law.

## OVERVIEW OF CREDIT STRUCTURE AND CASHFLOW

### **Available Distribution Amount**

The Available Distribution Amount, with respect to any Payment Date and the immediately preceding Collection Period, includes Collections (excluding, for the avoidance of doubt, any Seller Amounts, any amounts received by the Issuer but held on trust for the benefit of the Seller in accordance with the Receivables Sale Agreement and any amounts received by the Issuer as Collections and apportioned by the Servicer to the Guaranteed Future Value Payment component of any PCP Agreement), amounts credited to the Reserve Ledger and/or the Reinvestment Principal Ledger, certain amounts received under the Swap Agreements, interest earned on the Issuer Accounts, any amounts received from the Seller or the Servicer with respect to repurchases and the other amounts set forth under the definition of Available Distribution Amount in “*Glossary of Defined Terms*”.

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

The Available Distribution Amount will be applied on each applicable Payment Date generally as shown in the charts on the following pages. See Condition 7.8 (*Pre-Enforcement Priority of Payments*) and Condition 7.9 (*Post-Enforcement Priority of Payments*) for a more detailed description of the Priority of Payments.

### **Pre-Enforcement Priority of Payments**

*During the Revolving Period*

On each Payment Date during the Revolving Period, Available Distribution Amounts shall be applied by the Cash Administrator (on behalf of the Issuer) as shown in the following chart:

**PRE-ENFORCEMENT PRIORITY OF PAYMENTS  
DURING THE REVOLVING PERIOD**

|  |   |  |   |
|--|---|--|---|
| 1st  | TRUSTEE<br>(Fees, costs, expenses, indemnities, etc.)   |  |   |
| 2nd  | VARIOUS TRANSACTION PARTIES<br>(Fees, costs, expenses, indemnities, etc.)   |  |   |
| 3rd  | VARIOUS THIRD PARTY CREDITORS OF THE ISSUER<br>(Fees, costs, expenses, indemnities, etc.)   |  |   |
| 4th  | SERVICER<br>(Fees, out-of-pocket costs, expenses, etc.)   |  |   |
| 5th  | SELLER<br>(Reimbursement of certain amounts due under the Receivables Sale Agreement)   |  |   |
| 6th  | SWAP COUNTERPARTY<br>(GBP fixed and floating interest rate payments due under the Swap Agreements)  |  |   |
| 7th  | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center; vertical-align: top;"> <p>CLASS A NOTEHOLDERS<br/>(Interest Amount (other than any Currency Swap Deferred Interest Amount) and Additional Interest)</p> </td> <td style="width: 50%; text-align: center; vertical-align: top;"> <p>SWAP COUNTERPARTY<br/>(Senior termination amounts due under the Swap Agreements)</p> </td> </tr> </table> | <p>CLASS A NOTEHOLDERS<br/>(Interest Amount (other than any Currency Swap Deferred Interest Amount) and Additional Interest)</p> | <p>SWAP COUNTERPARTY<br/>(Senior termination amounts due under the Swap Agreements)</p> |
| <p>CLASS A NOTEHOLDERS<br/>(Interest Amount (other than any Currency Swap Deferred Interest Amount) and Additional Interest)</p> | <p>SWAP COUNTERPARTY<br/>(Senior termination amounts due under the Swap Agreements)</p>   |  |   |
| 8th  | CLASS B NOTEHOLDERS<br>(Prior to a Principal Deficiency Trigger Event, Interest Amount)   |  |   |
| 9th  | RESERVE LEDGER<br>(Amount necessary to reinstate the Required Liquidity Reserve Amount)   |  |   |
| 10th   | RESERVE LEDGER<br>(Amount necessary to reinstate the Required Reserve Amount)   |  |   |
| 11th   | CLASS C NOTEHOLDER<br>(Interest Amount)   |  |   |
| 12th   | FURTHER RECEIVABLES<br>(To pay any Further Receivables Purchase Price due and payable to the Seller)  |  |   |
| 13th   | REINVESTMENT PRINCIPAL LEDGER<br>(Following the purchase of Further Receivables under Step 12 above, amounts equal to (1) the Initial Purchase Price minus (2) the Adjusted Aggregate Asset Amount Outstanding)   |  |   |
| 14th   | SUBORDINATED LOAN PROVIDER<br>(Interest due and payable and, thereafter, outstanding principal under the Subordinated Loan Advance)   |  |   |
| 15th   | SWAP COUNTERPARTY<br>(Junior termination amounts due under the Swap Agreements)   |  |   |
| 16th   | ISSUER<br>(Retained profit)   |  |   |
| 17th   | SELLER<br>(Junior Deferred Consideration, if any, under the Receivables Sale Agreement)   |  |   |

*On and after the Revolving Period End Date but prior to a Principal Payment Trigger Event*

On each Payment Date on or after the Revolving Period End Date but prior to a Principal Payment Trigger Event, the Available Distribution Amount shall be applied by the Cash Administrator (on behalf of the Issuer) as shown in the following chart:



**PRE-ENFORCEMENT PRIORITY OF PAYMENTS  
ON AND AFTER THE REVOLVING PERIOD END DATE AND PRIOR  
TO A PRINCIPAL PAYMENT TRIGGER EVENT**

|  |   |  |   |
|--|---|--|---|
| 1st  | TRUSTEE<br>(Fees, costs, expenses, indemnities, etc.)   |  |   |
| 2nd  | VARIOUS TRANSACTION PARTIES<br>(Fees, costs, expenses, indemnities, etc.)   |  |   |
| 3rd  | VARIOUS THIRD PARTY CREDITORS OF THE ISSUER<br>(Fees, costs, expenses, indemnities, etc.)   |  |   |
| 4th  | SERVICER<br>(Fees, out-of-pocket costs, expenses, etc.)   |  |   |
| 5th  | SELLER<br>(Reimbursement of certain amounts due under the Receivables Sale Agreement)   |  |   |
| 6th  | SWAP COUNTERPARTY<br>(GBP fixed and floating interest rate payments due under the Swap Agreements)  |  |   |
| 7th  | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center; vertical-align: top;"> <p>CLASS A NOTEHOLDERS<br/>(Interest Amount (other than any Currency Swap<br/>Deferred Interest Amount) and Additional Interest)</p> </td> <td style="width: 50%; text-align: center; vertical-align: top;"> <p>SWAP COUNTERPARTY<br/>(Senior termination amounts due under the<br/>Swap Agreements)</p> </td> </tr> </table> | <p>CLASS A NOTEHOLDERS<br/>(Interest Amount (other than any Currency Swap<br/>Deferred Interest Amount) and Additional Interest)</p> | <p>SWAP COUNTERPARTY<br/>(Senior termination amounts due under the<br/>Swap Agreements)</p> |
| <p>CLASS A NOTEHOLDERS<br/>(Interest Amount (other than any Currency Swap<br/>Deferred Interest Amount) and Additional Interest)</p> | <p>SWAP COUNTERPARTY<br/>(Senior termination amounts due under the<br/>Swap Agreements)</p>   |  |   |
| 8th  | CLASS B NOTEHOLDERS<br>(Prior to a Principal Deficiency Trigger Event, Interest Amount)   |  |   |
| 9th  | RESERVE LEDGER<br>(Amount necessary to reinstate the Required Liquidity Reserve Amount)   |  |   |
| 10th   | CLASS A1 NOTEHOLDERS<br>(The applicable Scheduled Amortisation)   |  |   |
| 11th   | CLASS A2 NOTEHOLDERS<br>(Excess of Class A Notes Principal over Class A Target Principal Amount)  |  |   |
| 12th   | SUBORDINATED LOAN PROVIDER<br>(First interest and then principal on the Class A1 Principal Requirement Advance)   |  |   |
| 13th   | CLASS A1 CASH ACCUMULATION LEDGER<br>(To credit up to the Class A1 Cash Accumulation Ledger Required Amount)  |  |   |
| 14th   | CLASS A1 NOTEHOLDERS<br>(Currency Swap Deferred Interest Amounts, Additional Interest and retained profit)  |  |   |
| 15th   | CLASS A1 NOTEHOLDERS<br>(Currency Swap Deferred Principal Amounts)  |  |   |
| 16th   | CLASS B NOTEHOLDERS<br>(Excess of Class B Notes Principal over Class B Target Principal Amount)   |  |   |
| 17th   | RESERVE LEDGER<br>(Amount necessary to reinstate the Required Reserve Amount)   |  |   |

|      |   |
|------|---|
| 18th | <p style="text-align: center;">CLASS C NOTEHOLDER<br/>(Interest Amount)</p>   |
| 19th | <p style="text-align: center;">CLASS C NOTEHOLDER<br/>(Excess of Class C Note Principal over Class C Target Principal Amount)</p>   |
| 20th | <p style="text-align: center;">SUBORDINATED LOAN PROVIDER<br/>(First interest and thereafter principal on the Subordinated Loan Advance, together with any Class A1<br/>Additional Set Interest Amount Advance)</p> |
| 21st | <p style="text-align: center;">SWAP COUNTERPARTY<br/>(Junior termination amounts due under the Swap Agreements)</p>   |
| 22nd | <p style="text-align: center;">ISSUER<br/>(Retained profit)</p>   |
| 23rd | <p style="text-align: center;">SELLER<br/>(Junior Deferred Consideration, in any, under the Receivables Sale Agreement)</p>   |

*On and after a Principal Payment Trigger Event*

After the occurrence of a Principal Payment Trigger Event, but prior to the delivery of an Enforcement Notice and prior to the redemption of the Notes in full in accordance with the Conditions, principal on the Class A1 Notes and the Class A2 Notes will be paid pari passu and pro rata among themselves as more fully described under Condition 7.8 (*Pre-Enforcement Priority of Payments*).

*On and after a Principal Deficiency Trigger Event*

On and after the occurrence of a Principal Deficiency Trigger Event, interest on the Class B Notes will become subordinate to the items above (but will be paid prior to) item (n) in the Pre-Enforcement Priority of Payments (on or after a Principal Payment Trigger Event) as more fully described under Condition 7.8 (*Pre-Enforcement Priority of Payments*). Subordination of interest on the Class B Notes following the occurrence of a Principal Deficiency Trigger Event will continue even if such Principal Deficiency Trigger Event is no longer continuing.

**Post-Enforcement  
Priority of  
Payments**

Either (i) following the delivery of an Enforcement Notice and prior to the full discharge of all Secured Obligations or (ii) if the Notes are redeemed in full pursuant to the Conditions, any amounts standing to the credit of the Issuer Accounts (other than: (1) any collateral posted by a Swap Counterparty under a Credit Support Annex and any interest thereon; (2) until the Note Principal Amount Outstanding of the Class A1 Notes has been reduced to zero, amounts standing to the credit of the Class A1 Cash Accumulation Ledger, which amounts shall be used for payments of principal on the Class A1 Notes under the 6th item below; (3) any Seller Amounts; (4) any amounts received by the Issuer but held on trust for the benefit of the Seller in accordance with the Receivables Sale Agreement; and (5) any amounts received by the Issuer as Collections and apportioned by the Servicer to the Guaranteed Future Value Payment component of any PCP Agreement, which shall be paid to the Seller as Senior Deferred Consideration in accordance with the Receivables Sale Agreement) shall be applied by the Cash Administrator (on behalf of the Trustee) or by the Trustee on subsequent Payment Dates as shown in the following chart:

**POST -ENFORCEMENT PRIORITY OF PAYMENTS**

|      |   |   |
|------|---|---|
| 1st  | TRUSTEE<br>(Fees, costs, expenses, indemnities, etc.)   |   |
| 2nd  | SERVICER<br>(Fees, out -of-pocket costs, expenses, etc.)  |   |
| 3rd  | VARIOUS TRANSACTION PARTIES AND OTHER THIRD PARTIES<br>(Fees, costs, expenses, indemnities, etc.)   |   |
| 4th  | SWAP COUNTERPARTY<br>(GBP fixed and floating interest rate payments due under the Swap Agreements)  |   |
| 5th  | CLASS A NOTEHOLDERS<br>(Interest Amount (other than any Currency Swap Deferred Interest Amounts) and Additional Interest)   | SWAP COUNTERPARTY<br>(Senior termination amounts due under the Swap Agreements) |
| 6th  | CLASS A NOTEHOLDERS<br>(Applicable principal amounts until each such Class is reduced to zero)  |   |
| 7th  | CLASS B NOTEHOLDERS<br>(Interest Amount)  |   |
| 8th  | SUBORDINATED LOAN PROVIDER<br>(First interest and then principal on the Class A1 Principal Requirement Advance)   |   |
| 9th  | CLASS A1 NOTEHOLDERS<br>(First, Currency Swap Deferred Interest Amounts and Additional Interest and, then, Currency Swap Deferred Principal Amounts)                  |   |
| 10th | CLASS B NOTEHOLDERS<br>(Class B Notes Principal until reduced to zero)  |   |
| 11th | CLASS C NOTEHOLDER<br>(Interest Amount)   |   |
| 12th | CLASS C NOTEHOLDER<br>(Class C Note Principal until reduced to zero)  |   |
| 13th | SUBORDINATED LOAN PROVIDER<br>(First interest and then principal on the Subordinated Loan Advance, together with any Class A1 Additional Set Interest Amount Advance) |   |
| 14th | SWAP COUNTERPARTY<br>(Junior termination amounts due under the Swap Agreements)   |   |
| 15th | ISSUER<br>(Retained profit)   |   |
| 16th | SELLER<br>(Junior Deferred Consideration, if any, under the Receivables Sale Agreement)   |   |

**Senior Deferred Consideration**

Any amounts received by the Issuer as Collections and apportioned by the Servicer to the Guaranteed Future Value Payment component of any PCP Agreement shall be paid by the Cash Administrator (on behalf of the Issuer) to the Seller as Senior Deferred Consideration in accordance with the Receivables Sale Agreement and, for the avoidance of doubt, such amounts shall not form part of the Aggregate Asset Amount Outstanding or the Available Distribution Amount or be applied in accordance with the Priority of Payments. Under the Receivables Sale Agreement, the Seller may not assign or transfer or purport to assign or transfer any of its rights under the Receivables Sale Agreement, including its right to receive Senior Deferred Consideration.

**General Credit Structure**

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

**Reserve Fund**

The Class A Notes and the Class B Notes will have the benefit of the Reserve Fund which will provide limited protection against shortfalls in the amounts required to pay interest and, to a certain extent, principal, on the Class A Notes and the Class B Notes in accordance with the relevant Priority of Payments. See “*Credit Structure—Reserve Fund*” and “*Risk Factors—Credit Aspects of the Transaction—Limited availability of Subordinated Loan Advance and Reserve Fund*”. The balance of the Reserve Fund from time to time will be recorded on the Reserve Ledger, which will be operated by the Cash

Administrator as a ledger on the Transaction Account.

Prior to the delivery of an Enforcement Notice, the Reserve Fund will be replenished on each Payment Date:

- (i) *firstly*, up to the Required Liquidity Reserve Amount, as at the Calculation Date immediately preceding such Payment Date; and
- (ii) *secondly*, up to an amount equal to, as at the Calculation Date immediately preceding such Payment Date, (1) the Required Reserve Amount *minus* (2) the Required Liquidity Reserve Amount,

in each case, to the extent of any excess Available Distribution Amount not used to meet the prior-ranking payment obligations of the Issuer in accordance with the Pre-Enforcement Priority of Payments. See Condition 7.8 (*Pre-Enforcement Priority of Payments*) and “*Credit Structure—Pre-Enforcement Priority of Payments*”.

See “*Glossary of Defined Terms*” for a description of the calculation of the Required Reserve Amount and the Required Liquidity Reserve Amount. On and following the Payment Date on which the Class A Notes and the Class B Notes are redeemed in full, no further amounts will be deposited in the Reserve Fund and the Required Reserve Amount and the Required Liquidity Reserve Amount will be zero.

***Subordination***

The Issuer’s obligations to make payments of principal and interest on the Class C Note will be subordinated to the Issuer’s obligation to make payments of principal and interest on the Class A Notes and the Class B Notes (and to certain other payment obligations of the Issuer as set out in the relevant Priority of Payments), and the Issuer’s obligations to make payments of principal and interest on the Class B Notes will be subordinated to the Issuer’s obligation to make payments of principal and interest, respectively, on the Class A Notes (and to certain other payment obligations of the Issuer as set out in the relevant Priority of Payments). In addition, on and after the occurrence of a Principal Deficiency Trigger Event, payments of interest on the Class B Notes will become subordinate to items ranking above (but will be paid prior to) item (n) in the Pre-Enforcement Priority of Payments (on or after a Principal Payment Trigger Event). On and after the Class A1 Amortisation Commencement Date and prior to a Principal Payment Trigger Event, the Class A2 Notes will receive payments of principal after the Class A1 Notes receive payments of principal. See Condition 7.8 (*Pre-Enforcement Priority of Payments*), Condition 7.9 (*Post-Enforcement Priority of Payments*), “*Credit Structure—Pre-Enforcement Priority of Payments*” and “*Credit Structure—Post-Enforcement Priority of Payments*”.

***Reinvestment  
Principal Ledger***

During the Revolving Period, Available Distribution Amounts will be credited to the Reinvestment Principal Ledger in accordance with the Pre-Enforcement Priority of Payments. Any such amounts credited to the Reinvestment Principal Ledger will then be allocated towards the purchase of Further Receivables and Related Collateral during the Revolving Period in accordance with the Pre-Enforcement Priority of Payments. After the Revolving Period, such amounts will be applied as Available Distribution Amounts in accordance with the Pre-Enforcement Priority of Payments or, following the delivery of an Enforcement Notice and prior to the full discharge of all Secured Obligations, the Post-Enforcement Priority of Payments.

***Class A1 Cash  
Accumulation***

The Class A1 Notes will have the benefit of the Class A1 Cash Accumulation Fund. The balance of the Class A1 Cash Accumulation Fund will be recorded on the Class A1 Cash

**Fund**

Accumulation Ledger, which will be operated by the Cash Administrator as a ledger on the Sterling Account. The Class A1 Cash Accumulation Fund will not be funded on the Closing Date but only on and from the Payment Date on which the Class A2 Notes Principal has been reduced to zero. On each Payment Date prior to the occurrence of a Principal Payment Trigger Event or the delivery of an Enforcement Notice and beginning on the Payment Date on which the Class A2 Notes Principal is reduced to zero, the Class A1 Cash Accumulation Ledger will be funded up to the Class A1 Cash Accumulation Ledger Required Amount as at such Payment Date in accordance with the Pre-Enforcement Priority of Payments.

Amounts so credited to the Class A1 Cash Accumulation Ledger will form a part of the Available Distribution Amount but are, prior to the redemption of the Class A1 Notes in full, only available for payments of principal on the Class A1 Notes. However, if on any Calculation Date the amounts standing to the credit of the Class A1 Cash Accumulation Ledger exceed the amount required to fully pay the Aggregate Note Principal Amount Outstanding of the Class A1 Notes on the immediately following Payment Date, such excess shall be available on such Payment Date for application towards payment of other items in the applicable Priority of Payments. See “*Terms and Conditions of the Notes—Redemption—Pre-Enforcement Priority of Payments*” and “*Credit Structure—Class A1 Cash Accumulation Fund*”.

**Class A1  
Principal  
Requirement  
Advance**

If, on any Calculation Date prior to a Principal Payment Trigger Event, the Cash Administrator determines that there is a Class A1 Principal Requirement Shortfall with respect to the immediately following Payment Date, the Cash Administrator shall notify the Issuer and the Subordinated Loan Provider of the amount of such Class A1 Principal Requirement Shortfall. Upon being so notified, the Subordinated Loan Provider may, in its sole discretion, make a Class A1 Principal Requirement Advance available to the Issuer prior to such immediately following Payment Date in any amount up to (and including) the Class A1 Principal Requirement Shortfall. Such funds shall be credited to the Sterling Account and applied on the immediately following Payment Date, together with the portion of the Available Distribution Amount (including, for the avoidance of doubt, amounts standing to the credit of the Class A1 Cash Accumulation Fund) available to make the payments of principal on the Class A1 Notes under item (j) (on and after the Revolving Period End Date and prior to a Principal Payment Trigger Event) of the Pre-Enforcement Priority of Payments on such Payment Date in order to reduce or eliminate the Class A1 Principal Requirement Shortfall.

**Class A1  
Additional Set  
Interest Amount  
Advance**

If, on any Calculation Date prior to delivery of an Enforcement Notice, the Cash Administrator determines that the Available Distribution Amount (after payment of items that are senior and *pari passu* thereto in the Pre-Enforcement Priority of Payments) will be insufficient to pay the Set Interest Amount on the Class A1 Notes on such Payment Date, the Cash Administrator shall notify the Issuer and the Subordinated Loan Provider of the amount of such shortfall. Upon being so notified, the Subordinated Loan Provider may, in its sole discretion, make a Class A1 Additional Set Interest Amount Advance available to the Issuer prior to such immediately following Payment Date in any amount up to (and including) the applicable shortfall. Each Class A1 Additional Set Interest Amount Advance shall be credited to the Sterling Account of the Issuer and applied on the immediately following Payment Date.

**Class A1 Swap**

The Issuer will enter into a cross currency swap in relation to the Class A1 Notes on or about the Closing Date with the Class A1 Swap Counterparty under which:

- (i) on the Closing Date, the Issuer will exchange the gross Dollar proceeds of the issue of the Class A1 Notes for Sterling principal amounts to be used by the Issuer towards the purchase of the Initial Portfolio and to fund certain expenses

relating to the Notes issuance; and

- (ii) on each Payment Date, the Issuer will exchange:
  - (a) a portion of the principal payments received in respect of the Purchased Receivables for the Dollar principal amounts due on the Class A1 Notes at an exchange rate specified in the Class A1 Swap; and
  - (b) an amount equal to the product of: (1) GBP LIBOR plus margin (2) the Sterling Equivalent Principal Amount Outstanding of the Class A1 Notes (subject to a maximum amount set out in a pre-agreed amortisation schedule), and (3) the relevant day count fraction, against payment by the Class A1 Swap Counterparty of an amount equal to the product of: (1) USD LIBOR plus the Relevant Margin, (2) the Note Principal Amount Outstanding of the Class A1 Notes (subject to a maximum amount set out in a pre-agreed amortisation schedule), and (3) the relevant day count fraction. See “*Overview of the Transaction Documents—Swap Agreements*” and “*Credit Structure—Swap Agreements*”.

### ***Class A Swap***

The Issuer will enter into an interest rate swap on or about the Closing Date with the Class A Swap Counterparty under which, on each Payment Date, it will exchange an amount equal to the product of (i) 0.55 per cent., (ii) the Class A Notes Principal (subject to a maximum amount set out in a pre-agreed amortisation schedule), and (iii) the relevant day count fraction, against payment by the Class A Swap Counterparty of an amount equal to the product of: (i) GBP LIBOR, (ii) the Class A Notes Principal (subject to a maximum amount set out in a pre-agreed amortisation schedule) and (iii) the relevant day count fraction. See “*Overview of the Transaction Documents—Swap Agreements*” and “*Credit Structure—Swap Agreements*”.

### **Interest Payments to Class A1 Noteholders**

Interest is due and payable on the Class A1 Notes on each Payment Date. However, subject to the provisions set out below, the Issuer shall only be obliged to pay the relevant Set Interest Amount in relation to the Class A1 Notes on each Payment Date to the Class A1 Swap Counterparty (who shall then pay an amount equal to the applicable Interest Amount due and payable under the Class A1 Swap to the Principal Paying Agent on behalf of the Issuer for the account of the Class A1 Noteholders) or, if there is no Class A1 Swap in place, to the Cash Administrator (to be converted into Dollars at the Spot Rate), who shall then apply such Dollars towards paying the Interest Amount to the Principal Paying Agent, to fund payments of interest on the Class A1 Notes.

In respect of the Class A1 Notes only, if the Class A1 Swap has been terminated and no replacement swap has been entered into then, on each Payment Date prior to the delivery of an Enforcement Notice:

- (i) to the extent that, on such Payment Date, the Set Interest Amount payable by the Issuer on the Class A1 Notes on such Payment Date (once converted into Dollars at the Spot Rate by the Cash Administrator) is insufficient to pay the Interest Amount due and payable on the Class A1 Notes, the shortfall amounts (such amounts being **Currency Swap Deferred Interest Amounts**) shall be paid *firstly*, from any Currency Swap Excess Amounts available to pay Currency Swap Deferred Interest Amounts and *secondly*, from the Available Distribution Amount as a subordinated item in the Pre-Enforcement Priority of Payments, with the payment of any remainder being deferred until a Payment Date when there are either Currency Swap Excess Amounts or funds under the Pre-Enforcement Priority of Payments available to pay such Currency Swap

Deferred Interest Amounts; and

- (ii) to the extent that, on such Payment Date, the Set Interest Amount payable by the Issuer on the Class A1 Notes on such Payment Date (once converted into Dollars at the Spot Rate by the Cash Administrator) is greater than the Interest Amount due and payable on the Class A1 Notes, the excess amounts (such amounts being **Currency Swap Excess Interest Amounts**) shall be used to pay *firstly*, Currency Swap Deferred Interest Amounts and *secondly*, Currency Swap Deferred Principal Amounts, with any excess being transferred to the Class A1 Swap Reserve Account for application (subject to the terms of the Transaction Documents) on subsequent Payment Dates to pay *firstly*, Currency Swap Deferred Interest Amounts and *secondly*, Currency Swap Deferred Principal Amounts or towards the purchase, on any future date, of a replacement currency swap for the Class A1 Notes.

In respect of the Class A1 Notes only, if the Class A1 Swap has been terminated and no replacement swap entered into, then, on each Payment Date on or after the delivery of an Enforcement Notice, any outstanding Currency Swap Deferred Interest Amounts (and any Additional Interest in respect of Currency Swap Deferred Interest Amounts) shall be paid in accordance with the Post-Enforcement Priority of Payments.

**Principal  
Payments to  
Class A1  
Noteholders**

In respect of the Class A1 Notes only, if the Class A1 Swap has been terminated and no replacement swap has been entered into then, on each Payment Date prior to the delivery of an Enforcement Notice:

- (i) to the extent that, on such Payment Date, the Available Distribution Amount available under the Pre-Enforcement Priority of Payments to pay principal on the Class A1 Notes (once converted into Dollars at the Spot Rate by the Cash Administrator) is less than the amount that would have been payable by the Class A1 Swap Counterparty in respect of principal if the Class A1 Swap had still been in full force and effect, the shortfall amounts (such amounts being **Currency Swap Deferred Principal Amounts** and, together with the Currency Swap Deferred Interest Amounts, the **Currency Swap Deferred Amounts**) shall be paid *firstly*, from any Currency Swap Excess Amounts available to pay Currency Swap Deferred Principal Amounts and *secondly*, from the Available Distribution Amount as a subordinated item in the Pre-Enforcement Priority of Payments with the payment of any remaining Currency Swap Deferred Principal Amounts being deferred until such Payment Date on which there are either Currency Swap Excess Amounts or an Available Distribution Amount under the Pre-Enforcement Priority of Payments available to pay such Currency Swap Deferred Principal Amounts; and
- (ii) to the extent that, on such Payment Date, the Available Distribution Amount available under the Pre-Enforcement Priority of Payments to pay principal on the Class A1 Notes (once converted into Dollars at the Spot Rate by the Cash Administrator) is greater than the amount that would have been payable by the Class A1 Swap Counterparty in respect of principal if the Class A1 Swap had still been in full force and effect, the excess amounts (such amounts being **Currency Swap Excess Principal Amounts** and, together with any Currency Swap Excess Interest Amounts and any termination payment received by the Issuer and deposited in the Class A1 Swap Reserve Account, **Currency Swap Excess Amounts**) shall be used to pay *firstly*, Currency Swap Deferred Interest Amounts and *secondly*, Currency Swap Deferred Principal Amounts, with any excess being transferred to the Class A1 Swap Reserve Account for application (subject to the terms of the Transaction Documents) on subsequent Payment



Dates to pay *firstly*, Currency Swap Deferred Interest Amounts and *secondly*, Currency Swap Deferred Principal Amounts or towards the purchase, on any future date, of a replacement swap for the Class A1 Notes.

On each Payment Date on or after the delivery of an Enforcement Notice, any outstanding Currency Swap Deferred Principal Amounts shall be paid in accordance with the Post-Enforcement Priority of Payments.

**Listing**

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.

**OVERVIEW OF RIGHTS OF NOTEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS**

**Resolutions of Noteholders**

The Notes will contain provisions pursuant to which the Noteholders may agree by Extraordinary Resolution (whether by voting at a Meeting or by Written Resolution) to amend the Conditions. An Extraordinary Resolution passed by way of a quorate Meeting (see quorum requirements below, which depend on whether the matter under consideration relates to certain key terms of the Notes) will require a majority of 75 per cent. or more of the votes cast at such meeting.

|                                      | <u>Initial Meeting</u>   | <u>Adjourned Meeting</u>   |
|--------------------------------------|--|--|
| <b>Noteholder Meeting Provisions</b> | <p><i>Notice Period</i> 21 days (exclusive of the day on which the notice is given and the day on which the relevant Meeting is to be held) for the initial Meeting.</p> <p><i>Quorum</i> (a) To vote on an Extraordinary Resolution (other than regarding a Reserved Matter), two or more persons holding or representing more than 50 per cent. of the Sterling Equivalent Principal Amount Outstanding of the Notes of the relevant Class or Classes then outstanding for the initial Meeting; and</p> <p>(b) to vote on an Extraordinary Resolution relating to a Reserved Matter, two or more persons holding or representing in aggregate at least 75 per cent. of the Sterling Equivalent Principal Amount Outstanding of the Notes of the relevant Class or Classes then outstanding for the initial Meeting.</p> <p><i>Required Majority</i> More than 75 per cent. of the votes cast at a duly convened Meeting for matters requiring an Extraordinary Resolution.</p> <p><i>Written Resolution</i> A Written Resolution (being a resolution in writing signed by or on behalf of one or more persons holding not less than 75 per cent. of the Sterling Equivalent Principal Amount Outstanding of the Notes of the relevant Class or Classes then outstanding) shall take effect as an Extraordinary Resolution.</p> | <p>10 days (exclusive of the day on which the notice is given and the day on which the relevant Meeting is to be held) for an adjourned Meeting.</p> <p>(a) To vote on an Extraordinary Resolution (other than regarding a Reserved Matter), two or more persons holding or representing more than 25 per cent. of the Sterling Equivalent Principal Amount Outstanding of the Notes of the relevant Class or Classes then outstanding for an adjourned Meeting; and</p> <p>(b) to vote on an Extraordinary Resolution relating to a Reserved Matter, two or more persons holding or representing at least 33 1/3 per cent. of the Sterling Equivalent Principal Amount Outstanding of the Notes of the relevant Class or Classes then outstanding for an adjourned Meeting.</p> |

See Condition 12 (*Meetings of Noteholders, Modifications, Waiver, Substitution and*

*Exchange*).

**Provision of Information to 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.

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

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

If there is a conflict (in the opinion of the Trustee) between the interests of the holders of different Classes of Notes, the Trustee is obliged to give priority to the interests of the Class A Noteholders until the Class A Notes are redeemed in full and then to the Class B Noteholders until the Class B Notes are redeemed in full.

**Communication with Noteholders**

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

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

**Right of Modification without Noteholder Consent**

Pursuant to and in accordance with the provisions of Condition 12(c) (*Modifications*), the Trustee shall be obliged, without any consent of the Noteholders to concur with the Issuer in making any modification (other than a Reserved Matter) to the Conditions and/or any Transaction Document or enter into any new, supplemental or additional documents for the purposes 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;
- enabling the Issuer and/or a Swap Counterparty to comply with any obligation which applies to it under European Regulation 648/2012 of 4 July 2012, known as the European Market Infrastructure Regulation (**EMIR**);
- enabling the Retention Holder and/or the Sponsor to comply with any obligation which applies to it under any of the E.U. Risk Retention Requirements or any of the U.S. Credit Risk Retention Requirements; or
- changing the base rate on the Class A Notes from USD LIBOR and/or GBP LIBOR, as applicable, to an Alternative Base Rate (and such other amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change) to the extent there has been or there is reasonably expected to be a material disruption or cessation to LIBOR.

Among other things, the Servicer, on behalf of the Issuer, and/or any other relevant Transaction Party must certify, by way of a Modification Certificate or a Base Rate Modification Certificate, as applicable, that the modification is required for its stated purpose. Other than with respect to modifications made to comply with Articles 9, 10 or 11 of EMIR, any of the E.U. Risk Retention Requirements or any of the U.S. Credit Risk Retention Requirements, the Issuer must provide at least 30 days' notice to Noteholders of

each Class of the proposed modification in accordance with Condition 12(c) (*Modifications*) and by publication on Bloomberg on the “Company News” screen relating to the Notes, and, if Noteholders representing at least 10 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class 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 Controlling Class then outstanding in accordance with Condition 12(a)(ii) (*Meetings of Noteholders*) or Condition 12(b) (*Resolutions in Writing*).

## 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.**

### **Commercial Risks Relating to Investment in the 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.

In particular, each potential investor should:

- (i) have 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 or incorporated by reference in this Prospectus;
- (ii) have 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;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviours of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) 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. No Transaction Party assumes 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 other Transaction Parties.

#### *There is no secondary market for the Notes*

Although 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 the Notes will develop or, if it does develop, that it will provide Noteholders with liquidity of investment, or that it will continue for the life of the Notes, as applicable. In addition, the Notes have not been registered under the Securities Act or any securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S, unless an exemption is available from, or the transaction is not subject to, the registration requirements of the Securities Act and the offer and sale are made in accordance with all applicable securities laws. Accordingly, the Notes being offered and sold can be offered, sold, resold or transferred (A) in the United States only to QIBs as defined in Rule 144A, and (B) outside the United States to persons other than U.S. persons pursuant to Regulation S and certain transfers

of Notes or interests therein may only be effected in accordance with, and subject to, certain transfer restrictions and certification requirements. For a description of certain restrictions on resales or transfers, see “*Transfer Restrictions*” herein.

Noteholders should be aware of the prevailing and widely reported global credit market conditions which continue at the date hereof, and the 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 limited liquidity which has had an adverse effect on the market value of asset-backed securities such as the Notes. Limited liquidity in the secondary market may continue to have an 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 EU, the 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.

Furthermore, while central bank schemes such as the Bank of England’s Discount Window Facility, which was launched in October 2008, provide an important source of liquidity in respect of eligible securities, restrictions in respect of the relevant eligibility criteria for eligible collateral which apply and will apply in the future under such facility are likely to adversely impact secondary market liquidity for auto loan-backed securities in general, regardless of whether the Notes are eligible securities.

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. Neither the Arranger nor the Managers are under any obligation to assist in the resale of the Notes.

#### ***General market volatility and post-UK referendum uncertainty***

Concerns relating to credit risk (including that of sovereigns and of those entities which have exposure to sovereigns) persist in the capital markets and elsewhere, in particular with respect to current economic, monetary and political conditions in the Eurozone and the European Union as a whole. If such concerns persist and/or conditions further deteriorate (including as may be demonstrated by any relevant credit rating agency action, any default or restructuring of indebtedness by one or more states or institutions and/or any exit(s) by any member state(s) from the European Union and/or any changes to, including any break up of, the Eurozone), then these matters may cause further severe stress in the financial system generally and/or may adversely affect the UK consumer finance market, the Issuer and/or one or more of the other Transaction Parties (including the Seller, the Servicer, the Account Bank and/or each Swap Counterparty) and the ability and willingness of Customers to comply with their obligations under the Underlying Agreements.

In particular, prospective investors should note that, pursuant to a referendum held in June 2016, the UK has voted to leave the European Union and the UK Government invoked article 50 of the Treaty on European Union relating to withdrawal on 29 March 2017. Under article 50, the Treaty on European Union and the Treaty on the Functioning of the European Union cease to apply to the relevant state from the date of entry into force of a withdrawal agreement or, failing that, two years after the notification of intention to withdraw, although this period may be extended in certain circumstances. A two year period of negotiation has begun to determine the new terms of the UK’s relationship with the European Union, after which period (unless extended by agreement of all the European Union member states) its European Union membership will cease.

These negotiations are expected to run in parallel to standalone bilateral negotiations with the numerous individual countries and multilateral counterparties with which the UK currently has trading arrangements by virtue of its membership of the European Union. The timing of, and process for, such negotiations and the resulting terms of the UK's future economic, trading and legal relationships are uncertain.

A general election in the UK was held on 8 June 2017 (the **General Election**). The General Election has resulted in a hung parliament with no one political party obtaining the majority required to form a government with an outright majority. On 26 June 2017, it was announced that the Conservative Party has reached an agreement with the Democratic Unionist Party in order for the Conservative Party to form a minority government and the long term effects of the General Election are difficult to predict. The outcome of the General Election could have a significant impact on the future international and domestic political agendas of the government and the ability of the government to pass legislation in the House of Commons (including as regards the UK's exit from the European Union)

There are a number of areas of uncertainty in connection with the future of the UK and its relationship with the European Union and the negotiation of the UK's exit terms and related matters may take several years. While the longer term effects of the referendum are difficult to predict, these are likely to include further financial instability and slower economic growth, as well as higher unemployment and inflation, in the UK, at least in the short to medium term. The UK referendum has also given rise to calls for certain regions within the UK to preserve their place in the European Union by separating from the UK, as well as the potential for other member states to consider withdrawal from the European Union. These developments, or the perception that any of them could occur, may have a material adverse effect on economic conditions and the stability of financial markets, and could significantly reduce market liquidity and restrict the ability of key market participants to operate in certain financial markets.

Asset valuations, currency exchange rates and credit ratings may be particularly subject to increased market volatility. The major credit rating agencies have downgraded and changed their outlook to negative on the UK's sovereign credit rating following the referendum. In addition, S&P and Moody's affirmed the long-term credit ratings and changed the ratings outlooks of the operating companies of most major UK banks because of the medium term impact of political and market uncertainty.

Given this uncertainty and the range of possible outcomes, it is not currently possible to determine the impact that the referendum, the UK's departure from the European Union and/or any related matters may have on general economic conditions in the UK. It is also not possible to determine the impact that these matters will have on the Issuer or the Seller, any other Transaction Party and/or on the ability and willingness of Customers to comply with their obligations under the Underlying Agreements.

The UK political developments described above, along with any further changes in government structure and policies, may lead to further market volatility and changes to the fiscal, monetary and regulatory landscape in which the Issuer and the Seller operate. No assurance can be given that any of the matters outlined above would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value or liquidity of the Notes.

### ***Ratings of the 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 or 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 or the Class B Notes and neither the Issuer nor any other person or entity is obliged to appoint a substitute Rating Agency or Rating Agencies or otherwise obtain any alternative, substitute or additional ratings for the Class A Notes or the Class B Notes from any other source.

Each rating assigned to the Class A Notes and the Class B Notes by the Rating Agencies takes into consideration the structural and legal aspects associated with the Class A Notes or the Class B Notes, as applicable, and the underlying Purchased Receivables, 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 or the Class B Notes, as applicable, as well as other relevant features of the structure, including the credit rating of a Swap Counterparty, the Account Bank, the Transaction Account Bank, the Seller and the Servicer. Each Rating Agency's rating reflects only the view of that Rating Agency.

It should be noted that a Rating Agency may revise its relevant rating methodology at any time, which could affect the ratings assigned to the Class A Notes and the Class B Notes. Additionally, a Rating Agency may have a conflict of interest where, as is the case with the ratings of the Class A Notes and the Class B Notes by the Rating Agencies, the issuer of a security pays the fee charged by the Rating Agency for its rating service.

The Issuer has not requested a rating of the Class A Notes or the Class B Notes by any rating agency other than the Rating Agencies, and the Issuer has not requested a rating of the Class C Note. However, rating agencies other than the Rating Agencies may seek to rate the Notes and such "unsolicited" ratings of the Notes may be assigned by a non-hired NRSRO at any time, even prior to the Closing Date. NRSROs have different methodologies, criteria, models and requirements, which may result in unsolicited ratings of the Notes by a non-hired NRSRO and such ratings could (in the case of the Class A Notes and the Class B Notes) be lower than those assigned by the Rating Agencies. If a non-hired NRSRO issues such a rating, the liquidity and market value of the Notes could be materially and adversely affected. In addition, the mere possibility that such a rating could be issued may affect price levels in any secondary market that may develop. Regulatory and legislative developments may have an impact on the weight investors in the secondary market give to a rating and this may affect the ability of investors to resell their Notes.

In addition, rules adopted by the SEC concerning unsolicited ratings require NRSROs that are hired by issuers and sponsors of a structured finance transaction to facilitate a process by which non-hired NRSROs can obtain the same information with respect to a transaction that is available to the hired NRSROs. Non-hired NRSROs may use this information to issue (and maintain) a rating of the Notes. Generally, the Issuer and the sponsor certify to the Rating Agencies that they will provide the required information and failure to do so could lead to the ratings of the Notes being withdrawn by the applicable Rating Agency or a non-hired NRSRO.

### **Credit Aspects of the Transaction**

#### ***Performance of the Purchased Receivables is uncertain***

If the Seller does not receive the full amount of Scheduled Payments due from the Customers in respect of the Purchased Receivables, the Noteholders are at risk of receiving less than the face value of their Notes and interest payable thereon. Consequently, the Noteholders are exposed to the credit risk of the Customers. Neither the Seller nor the Issuer guarantees or warrants the full and timely payment by the Customers of any Scheduled Payments payable under the Purchased Receivables. The ability of any Customer to make timely payments of Scheduled Payments due under the relevant Underlying Agreement will mainly depend on his or her assets and liabilities as well as his or her ability to generate sufficient income to make the required payments. The Customers' ability to generate income may be adversely affected by a large number of factors. There is no assurance that the value of the Purchased Receivables will at any time be equal to or greater than the Aggregate Note Principal Amount Outstanding of the Notes.

In addition, there can be no assurance as to the future geographical distribution of the Customers or the Financed Vehicles and its effect, in particular, on the rate of amortisation of the Purchased Receivables. Although the Customers are located throughout the United Kingdom, these Customers may be concentrated in certain locations, such as densely populated or industrial areas. Any deterioration in the economic condition of the area(s) in which the Customers are located (or any deterioration in the economic condition of other areas) may have an adverse effect on the ability of the Customers to make Scheduled Payments under the Underlying Agreements and the ability of SCUK to sell the Financed Vehicles. A concentration of the Customers in such



area(s) may therefore result in a greater risk that the Noteholders will ultimately not receive the full principal amount of the Notes and interest thereon than if such concentration had not been present.

The rate of recovery upon a Customer default may itself be influenced by various economic, tax, legal and other factors such as changes in the value of the Financed Vehicles or the level of interest rates from time to time. There might be various risks involved in the sales of used vehicles which could significantly influence the amount of proceeds generated from the sale, e.g. high mileage and damage, less popular configuration (engine, colour etc.), oversized special equipment, large numbers of homogeneous types of vehicles in short time intervals, general price volatility in the used vehicles market or seasonal impact on sales. See “—*Weighted average life of the Notes*”.

### ***Changing characteristics of the Purchased Receivables during the Revolving Period***

During the Revolving Period, the amounts that would otherwise be used to repay the principal on the Notes may be used to purchase Further Receivables from the Seller. The Purchased Receivables comprising the Initial Portfolio and Further Receivables may also be prepaid or default during the Revolving Period, and therefore the characteristics of the Portfolio may change after the Closing Date, and could be substantially different at the end of the Revolving Period from the characteristics of the pool of Purchased Receivables comprising the Initial Portfolio. These differences could result in faster or slower repayments or greater losses on the Notes.

Because of payments on the Purchased Receivables and purchases of Further Receivables during the Revolving Period, concentrations of Customers in the pool may be substantially different from the concentrations that exist on the Closing Date. Such concentrations or other changes of the pool could adversely affect the delinquency, or credit loss, of the Purchased Receivables.

### ***The Revolving Period will end if a Revolving Period Termination Event occurs***

On each Payment Date during the Revolving Period, amounts may be used to purchase Further Receivables and Related Collateral in accordance with the Pre-Enforcement Priority of Payments. However, following the occurrence of a Revolving Period Termination Event, the Revolving Period will terminate and no Further Receivables or Related Collateral may be sold after the date of the event. Available Distribution Amounts will then be distributed in accordance with the terms of the Pre-Enforcement Priority of Payments.

See “—*Weighted average life of the Notes*” for further information on the possible early amortisation of the Class A2 Notes.

### ***Deferral of interest payments on the Notes***

Payments of interest on the Class A Notes and the Class B Notes may be deferred in the following two situations, in each case prior to the delivery of an Enforcement Notice: (a) with respect to the Class A1 Notes, if the Issuer has paid the relevant Set Interest Amount to the Class A1 Swap Counterparty and the Class A1 Swap Counterparty fails to pay the relevant Interest Amount to the relevant Paying Agent on behalf of the Issuer, then the amount due (but unpaid) to the Class A1 Noteholders will be deferred to the next Payment Date, or (2) with respect to the Class A1 Notes, the Class A2 Notes and the Class B Notes, if the Issuer or the Class A1 Swap Counterparty, as applicable, has paid the relevant Set Interest Amount to the relevant Paying Agent and the relevant Paying Agent fails to pay the relevant Interest Amount to the applicable Noteholders, the amount due (but unpaid) to such Noteholders will be deferred to the next Payment Date. The Set Interest Amount due to the Class A Noteholders and the Class B Noteholders on the next Payment Date will be increased by the unpaid amount and Additional Interest will accrue on such unpaid amount. Payments of interest on the Class A Notes and the Class B Notes may not be deferred in any other scenarios — any failure by the Issuer to pay the Set Interest Amount to the Class A1 Swap Counterparty, with respect to the Class A1 Notes, or the Principal Paying Agent, with respect to the Class A2 Notes or Class B Notes, which is not cured within five Business Days, will trigger an Issuer Event of Default.

Payment of the Set Interest Amount on the Class C Note, conversely, may be deferred prior to the delivery of an Enforcement Notice where the Available Distribution Amount is insufficient to pay the Class C Set Interest Amount in full. Such a deferral will not constitute an Issuer Event of Default. Class C Set Interest Amounts may be deferred prior to the Legal Maturity Date until any Payment Date upon which funds are available to the Issuer to make such payments. The Set Interest Amount due to the Class C Noteholder on such Payment Date will be increased by the unpaid amounts and Additional Interest will accrue on such unpaid amounts.

See “—*The Swap Agreements—Currency Swap Deferred Amounts*” in respect of the deferral of interest where a shortfall arises as a result of the termination (without replacement) of the Class A1 Swap.

### ***Weighted average life of the Notes***

The weighted average life of the Notes is volatile. In the event that the Purchased Receivables are prematurely terminated or otherwise settled early (including due to higher than expected prepayment rates), the principal repayment of the Notes may be earlier than expected. The yield on the Notes may be adversely affected by a higher or lower than anticipated rate of prepayment of the Purchased Receivables. The rate of prepayment of the Purchased Receivables cannot be predicted and is influenced by a wide variety of economic and other factors, including prevailing interest rates, the buoyancy of the auto finance market, the availability of alternative financing and local and regional economic conditions. Therefore, no assurance can be given as to the level of prepayment that the Purchased Receivables will experience. Based on assumed rates of prepayment the approximate average lives and principal payment windows of each Class of Notes are set out in the section entitled “*Expected Maturity and Average Life of Notes and Assumptions*”. However, the actual characteristics and performance of the Purchased Receivables will differ from such assumptions and any difference will affect the percentages of the initial amount outstanding of the Notes which are outstanding over time and the weighted average lives of the Notes. See “—*Performance of the Purchased Receivables is uncertain*”.

If prepayment rates of the Purchased Receivables are higher than expected (including higher than the prepayment rates used to set the Class A1 Amortisation Schedule), the Available Distribution Amount which exceeds the Class A1 USD Amortisation Amount will be used to amortise the Class A2 Notes which may result in the Class A2 Notes amortising to zero earlier than expected.

If prepayment rates of the Purchased Receivables are slower than expected and the Available Distribution Amount is insufficient to pay the amounts due to the Class A1 Noteholders following the Class A1 Amortisation Commencement Date, the Class A2 Noteholders will not receive principal payments until shortfalls in principal payments to the Class A1 Noteholders have been made up (unless a Principal Payment Trigger Event has occurred in which case payments under the Class A1 Notes and the Class A2 Notes will be made *pro rata* and *pari passu* among themselves).

### ***Limited availability of Subordinated Loan Advance and Reserve Fund***

Certain credit and liquidity enhancement features, including amounts available under the Subordinated Loan Agreement and credited to the Reserve Fund, serve a limited purpose and/or are limited in amount. Prior to the delivery by the Trustee of an Enforcement Notice, in the event of shortfalls under the Purchased Receivables, amounts from the Reserve Fund may only be drawn to reduce shortfalls with respect to interest and principal on the Class A Notes and the Class B Notes in accordance with the Pre-Enforcement Priority of Payments. The Subordinated Loan Advance made to the Issuer will be used on the Closing Date to initially fund the Reserve Fund up to £9,004,814.53 (which will then, on each Payment Date, be replenished from the Available Distribution Amount subject and pursuant to the relevant Priority of Payments). After the Closing Date, the Issuer will not be entitled to make any further drawings under the Subordinated Loan Agreement to supplement amounts on deposit in the Reserve Fund. Consequently, the amounts standing to the credit of the Reserve Fund may not be sufficient to make up any shortfalls in principal and interest payable in respect of the Class A Notes and the Class B Notes. In addition, if there is a shortfall in the Available Distribution Amount, the amount on deposit in the Reserve Fund may be partially or fully depleted and not replenished.

This depletion could result in shortfalls and delays in distributions to Class A Noteholders and Class B Noteholders.

If the Cash Administrator determines on a Calculation Date that there will be a Class A1 Principal Requirement Shortfall on the immediately following Payment Date, the Subordinated Loan Provider may, in its absolute discretion, advance to the Issuer an amount under the Subordinated Loan Agreement which shall be used for payment of the principal shortfalls on the Class A1 Notes. The availability of this advance is not guaranteed. The Class B Noteholders and the Class C Noteholder do not have the benefit of this advance. See “*Overview of the Transaction Documents—Subordinated Loan Agreement*”.

In addition, if the Cash Administrator determines on any Calculation Date prior to delivery of an Enforcement Notice that the Available Distribution Amount (after payment of items that are senior and *pari passu* thereto in the Pre-Enforcement Priority of Payments) will be insufficient to pay the Set Interest Amount due and payable to the Class A1 Noteholders on such Payment Date, the Cash Administrator shall notify the Issuer and the Subordinated Loan Provider of the amount of such shortfall. Upon being so notified, the Subordinated Loan Provider may, in its sole discretion, make a Class A1 Additional Set Interest Amount Advance available to the Issuer prior to such immediately following Payment Date in any amount up to (and including) the applicable shortfall. Each Class A1 Additional Set Interest Amount Advance shall be credited to the Sterling Account of the Issuer and applied on the immediately following Payment Date. The availability of this advance is not guaranteed. The Class A2 Noteholders, the Class B Noteholders and the Class C Noteholder do not have the benefit of this advance. See “*Overview of the Transaction Documents—Subordinated Loan Agreement*” and “*—The Swap Agreements—Notional cap on the Class A1 Swap*”.

#### ***Reliance on representations, warranties and undertakings***

If any Purchased Receivable and the Related Collateral do not correspond, in whole or in part, to the representations and warranties made by the Seller in the Receivables Sale Agreement on each Purchase Date, a Seller Asset Warranty Breach may occur, in which case the Issuer will have certain rights of recourse against the Seller. In the case of an unremedied material breach of any of the Seller Asset Warranties, the Seller will be required to repurchase the Non-Compliant Receivable (unless such Receivable has been found not to exist) at the Non-Compliant Receivable Repurchase Price. With respect to Seller Asset Warranty Breaches that occur because of a breach of either item (b) or (c) of the definition of Concentration Limits or because a Purchased Receivable is found not to exist, the Seller will be required to indemnify the Issuer in an amount equal to the portion of the Initial Purchase Price or the Further Receivables Purchase Price (as applicable) related to the relevant Purchased Receivable. With respect to breaches of warranties under the Receivables Sale Agreement that are not Seller Asset Warranties, the Seller is obliged to indemnify the Issuer against any liability, losses and damages directly resulting from such breaches.

Further, under the Receivables Sale Agreement, the Seller provides certain undertakings to the Issuer in respect of the assets comprising the Portfolio, including that it will not cause any steps to be taken in respect of the Purchased Receivables and Related Collateral, save in accordance with the Underlying Agreements, the Transaction Documents and applicable law, which would involve the novation or the modification or waiver of any material provision of any Underlying Agreement, other than any Permitted Variation effected in accordance with the Credit and Collection Policy. Where the Seller makes, in the ordinary course of business, a non-Permitted Variation, the Seller may direct the Issuer to sell the relevant Purchased Receivable and its Related Collateral to the Seller at the Non-Compliant Receivable Repurchase Price.

There can be no assurance that the Seller will have the financial resources to honour its repurchase or indemnity obligations, or to pay any damages arising from breach of its obligations, under the Receivables Sale Agreement. Consequently, if any breach referred to above occurs and the affected Purchased Receivable and its Related Collateral is not repurchased or the Issuer is not appropriately indemnified or compensated by the Seller, as applicable, this may cause the Issuer to default under the Notes. See “*Overview of the Transaction Documents—Receivables Sale Agreement*”. Further, the yield to maturity of the Notes may be affected by the repurchase of Purchased Receivables, which may ultimately result in prepayments on the Notes.

***The Class B Notes and the Class C Note will be subject to greater risk because of subordination***

The Class B Notes will bear a greater risk of loss than the Class A Notes because no payments of principal, or, if a Principal Deficiency Trigger Event has occurred, interest, will be made on the Class B Notes until all of the Issuer's fees and expenses, all payments due to each Swap Counterparty (other than certain termination payments due and payable under the Swap Agreements) and interest and principal on the Class A Notes then due are paid in full.

The Class C Note will bear a greater risk of loss than the Class A Notes and the Class B Notes because no payments of interest or principal will be made on the Class C Note until all of the Issuer's fees and expenses, all payments due to each Swap Counterparty (other than certain termination payments due and payable under the Swap Agreements) and interest and principal on the Class A Notes and the Class B Notes then due are paid in full.

In addition, on and after the occurrence of a Principal Deficiency Trigger Event, payments of interest on the Class B Notes will become subordinate to items ranking above (but will be paid prior to) item (n) in the Pre-Enforcement Priority of Payments (on or after a Principal Payment Trigger Event).

***Conflicts of interest among Noteholders and between Noteholders and other Secured Creditors***

In the exercise of all of its powers, trusts, authorities, duties and discretions, the Trustee is required to consider the interests of both the Noteholders and the other Secured Creditors but, if there is (in the opinion of the Trustee) a conflict between the interests of the Noteholders and the interests of any of the other Secured Creditors, the Trustee will consider only the interests of the Noteholders. If, however, there is a conflict (in the opinion of the Trustee) between the interests of the holders of the different Classes of Notes, the Trustee is obliged to give priority to the interests of the Class A Noteholders (to the extent that the Class A Notes are then outstanding), whose interests shall prevail, and, following redemption in full of the Class A Notes, the Trustee shall give priority to the interests of the Class B Noteholders (to the extent that the Class B Notes are then outstanding), whose interests shall then prevail. Therefore, there may be conflicts between the interests of holders of one Class of Notes and the interests of any of the other Secured Creditors (including the holders of other Classes of Notes) and, in the event of a conflict of interest among holders of different Classes of Notes, the interest of more senior Classes will prevail over the interest of the junior Classes.

Investors should be aware that, on the Closing Date, SCUUK (or an entity connected or affiliated to it) will subscribe for 5 per cent. of the Aggregate Note Principal Amount Outstanding of the Class A Notes, 100 per cent. of the Aggregate Note Principal Amount Outstanding of the Class B Notes and 100 per cent. of the Aggregate Note Principal Amount Outstanding of the Class C Note (including for the purpose of complying, in its capacity as Retention Holder, with the E.U. Risk Retention Requirements and the U.S. Credit Risk Retention Requirements, as described in "*E.U. Risk Retention Requirements*" and "*U.S. Credit Risk Retention Requirements and Regulatory Considerations*"). SCUUK (or an entity connected or affiliated to it) may also purchase any Notes from time to time. SCUUK (or an entity connected or affiliated to it) is under no obligation to consider the interests of other Noteholders when exercising its rights under the Notes (with respect to not only the 5 per cent. required risk retention, but also any other Notes which it may own) and, to the extent it holds all of the Notes of any Class, may exercise voting rights in respect of such Notes in a manner that may be prejudicial to other Noteholders.

***The Class B Notes and the Class C Note will be subject to the interests of the Controlling Class***

The Conditions provide for resolutions of Noteholders to be passed by the Controlling Class, including resolutions that amend, reduce or cancel certain rights of the Noteholders against the Issuer, and the Trust Deed provides that any resolution passed by the Controlling Class will be binding on the other Classes. In the event that the Trustee receives conflicting or inconsistent directions or requests from two or more groups of holders of the Controlling Class, the Trustee will give priority to the group which holds the greatest principal amount of Notes outstanding of the Controlling Class. The rights of Noteholders under the Trust Deed are subject in such situations to the resolutions of the Controlling Class.

The Class A Notes will be the Controlling Class for so long as any Class A Notes are outstanding (with the holders of the Class A1 Notes and the Class A2 Notes acting or voting together as a single Class of Noteholders). When the Class A Notes have been paid in full, the Class B Notes will be the Controlling Class for so long as any Class B Notes are outstanding. When the Class A Notes and the Class B Notes have been paid in full, the Class C Note will be the Controlling Class.

The rights of the Controlling Class will include the following:

- following an Issuer Event of Default, to direct the Trustee to institute such proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Notes of each Class;
- following a Servicer Termination Event, to decide whether to remove the Servicer; and
- to consent to certain other actions specified in the Trust Deed.

It should be noted that SCUK (or an entity connected or affiliated to it) may hold all or a portion of certain Classes of Notes, including the Class A Notes, and, on the Closing Date, SCUK will subscribe for 5 per cent. of the Aggregate Note Principal Amount Outstanding of the Class A Notes, 100 per cent. of the Aggregate Note Principal Amount Outstanding of the Class B Notes and 100 per cent. of the Aggregate Note Principal Amount Outstanding of the Class C Note (including for the purpose of complying, in its capacity as Retention Holder, with the E.U. Risk Retention Requirements and the U.S. Credit Risk Retention Requirements, as described in “*E.U. Risk Retention Requirements*” and “*U.S. Credit Risk Retention Requirements and Regulatory Considerations*”). If SCUK (or an entity connected or affiliated to it) holds only a portion of a Class of Notes, that portion will not be considered outstanding for certain purposes, including the voting rights of such Class of Notes. If, however, SCUK (or an entity connected or affiliated to it) holds all of a Class of Notes, including the Controlling Class, pursuant to the Conditions those Notes will be considered outstanding for certain purposes, including the voting rights of such Class of Notes. Consequently, if SCUK (or an entity connected or affiliated to it) holds all of a Class of Notes and such Notes are the Controlling Class, SCUK will be entitled to exercise its rights as holder of the Controlling Class without the consent of the remaining Noteholders.

In addition, pursuant to Condition 12(c)(ii) (*Modifications*), unless Noteholders representing at least 10 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class then outstanding notify the Trustee in writing that they do not consent to certain modifications which may be made without Noteholder consent as described below under “—*Noteholders will be deemed to have consented to certain modifications to the Transaction Documents so long as less than 10 per cent. of the Controlling Class objects to such modifications*”, then all Noteholders will be deemed to have consented to such modification and the Trustee shall, subject to the requirements of Condition 12(c)(ii) (*Modifications*), without seeking further consent or sanction of any of the Noteholders and irrespective of whether such modification is or may be materially prejudicial to the interest of the Noteholders of any Class, concur with the Issuer in making the proposed modification.

The Controlling Class may act solely in its own interests. While any Class A Notes are outstanding, holders of the Class B Notes and the Class C Note will not be able to control actions that are proposed or taken by the Controlling Class (other than Reserved Matters), which actions could adversely affect the holders of the Class B Notes or the Class C Note. While any Class A Notes or any Class B Notes are outstanding, a holder of the Class C Note will not be able to control actions that are proposed or taken by the Controlling Class, which actions could adversely affect the holder of the Class C Note.

***The Trustee may agree to modifications to the Transaction Documents without the prior written consent of Noteholders***

Pursuant to the terms of the Trust Deed, the Trustee may, without the consent or sanction of the Noteholders or any of the other Secured Creditors, at any time and from time to time, concur with the Issuer and/or any other relevant party in making any modifications to any of the Transaction Documents to which the Trustee is

a party or in relation to which the Trustee holds security if the Trustee is of the opinion that such modification (a) will not be materially prejudicial to the interests of the Controlling Class (but excluding, in any event, modifications in respect of a Reserved Matter for which an Extraordinary Resolution of the Noteholders will be required), or (b) is of a formal, minor or technical nature or is necessary to correct a manifest error, or an error which is, in the opinion of the Trustee, proven.

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

***Noteholders will be deemed to have consented to certain modifications to the Transaction Documents so long as less than 10 per cent. of the Controlling Class objects to such modifications***

In addition to the right of the Trustee to make certain modifications to the Transaction Documents without Noteholder consent described under “—*The Trustee may agree to modifications to the Transaction Documents without the prior written consent of Noteholders*”, the Trustee shall, without any consent or sanction of the Noteholders or any of the other Secured Creditors, concur with the Issuer in making any modification (other than a Reserved Matter) to the Trust Deed, the Conditions or any other Transaction Document to which it is a party or in relation to which it holds security for the purpose of: (a) 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; (b) enabling the Issuer and/or a Swap Counterparty to comply with any obligation which applies to it under EMIR; (c) enabling the Retention Holder and/or the Sponsor to comply with any obligation which applies to it under any of the E.U. Risk Retention Requirements or any of the U.S. Credit Risk Retention Requirements; or (d) changing the base rate on the Class A Notes from USD LIBOR and/or GBP LIBOR, as applicable, to an Alternative Base Rate (and such other amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change) to the extent there has been or there is reasonably expected to be a material disruption or cessation to LIBOR, in each case subject to the satisfaction of certain requirements, including receipt by the Trustee of a Modification Certificate or a Base Rate Modification Certificate, as applicable, from the Servicer, on behalf of the Issuer, and/or any other relevant Transaction Party certifying, among other things, that the modification is required for its stated purpose.

Other than with respect to modifications made to comply with Articles 9, 10 or 11 of EMIR, any of the E.U. Risk Retention Requirements or any of the U.S. Credit Risk Retention Requirements, the Issuer must provide at least 30 days’ notice to the Noteholders of each Class of the proposed modification in accordance with Condition 13 (*Form of Notices*) and by publication on Bloomberg on the “Company News” screen relating to the Notes and Noteholders representing at least 10 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class then outstanding not having contacted the Trustee 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 Trustee that such Noteholders do not consent to the modification. If, within 30 calendar days from the giving of such notice, Noteholders representing at least 10 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class then outstanding have notified the Trustee in writing (or otherwise in accordance with the then current practice of any applicable Clearing System through which such Notes may be held) that such Noteholders do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Controlling Class then outstanding is passed in favour of such modification in accordance with Condition 12(a)(ii) (*Meetings of Noteholders*) or Condition 12(b) (*Resolutions in Writing*). However, in the absence of such a notification, all Noteholders will be deemed to have consented to such modification and the Trustee shall, subject to the requirements of Condition 12(c)(ii) (*Modifications*), without seeking further consent or sanction of any of the Noteholders and irrespective of whether such modification is or may be materially prejudicial to the interest of the Noteholders of any Class, concur with the Issuer in making the proposed modification.

Therefore, it is possible that a modification could be made without the vote of any Noteholders or even if holders holding less than 10 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class then outstanding objected to it. In addition, Noteholders should be aware that, unless they have made arrangements to promptly receive notices sent to Noteholders from any custodians or other intermediaries

through which they hold their Notes and give the same their prompt attention, Meetings may be convened or resolutions (including Extraordinary Resolutions) may be proposed and considered and passed or rejected or deemed to be passed or rejected without their involvement even if, were they to have been promptly informed, they would have voted in a different way from the Noteholders which passed or rejected the relevant proposal or resolution. For more detail see “—*Other Considerations Relating to the Notes—Class A Noteholders and Class B Noteholders have to rely on the procedures of DTC, Euroclear and Clearstream, Luxembourg for transfer, payment and communication with the Issuer*”.

### ***Changes or uncertainty in respect of LIBOR may affect the value or payment of interest under the Notes***

Various interest rate and other indices which are deemed to be "benchmarks", including the London Inter-Bank Offered Rate (**LIBOR**), are the subject of recent national, international and other regulatory reforms and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented, including the EU Benchmarks Regulation (Regulation (EU) 2016/1011) (the **Benchmarks Regulation**). In addition, the sustainability of LIBOR has been questioned by the FCA as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of regulatory reforms) for market participants to continue contributing to such benchmarks. These reforms and other pressures may cause such benchmarks to disappear entirely or to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted.

Under the Benchmarks Regulation, which will apply from 1 January 2018 in general, new requirements will apply with respect to the provision of a wide range of benchmarks (including LIBOR), the contribution of input data to a benchmark and the use of a benchmark within the European Union. In particular, the Benchmarks Regulation will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevent certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed).

In particular, investors should be aware that:

- (a) any of these reforms or pressures described above or any other changes to a relevant interest rate benchmark (including LIBOR) could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be;
- (b) if LIBOR is discontinued and an amendment as described in paragraph (c) below has not been made, then the rate of interest on the Class A Notes will be determined for a period by the fall-back provisions provided for under Condition 6.3 (*Interest Rate*), although such provisions, being dependent in part upon the provision by Reference Banks of offered quotations for the LIBOR rate, may not operate as intended (depending on market circumstances and the availability of rates information at the relevant time) and may result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR was available;
- (c) while an amendment may be made under Condition 12(c)(i)(C) (*Modifications*) to change the LIBOR rate on the Class A Notes to an alternative base rate under certain circumstances broadly related to LIBOR dysfunction or discontinuation and subject to certain conditions, there can be no assurance that any such amendment will be made or, if made, that it will (i) fully or effectively mitigate interest rate risks or result in an equivalent methodology for determining the interest rates on the Class A Notes or (ii) be made prior to any date on which any of the risks described in this risk factor may become relevant; and
- (d) if LIBOR is discontinued, and whether or not an amendment is made under Condition 12(c)(i)(C) (*Modifications*) to change the LIBOR rate on the Class A Notes as described in paragraph (c) above, there can be no assurance that the applicable fall-back provisions under the Swap Agreements would

operate so as to ensure that the base floating interest rate used to determine payments under the Swap Agreements is the same as that used to determine interest payments under the Class A Notes, or that any such amendment made under Condition 12(c)(i)(C) (*Modifications*) would allow the transactions under the Swap Agreements to effectively mitigate interest rate and currency risks on the Class A Notes.

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

### **The Swap Agreements**

#### ***Class A1 Noteholders may be subject to interest rate risk and exchange rate risk***

Payments made to the Seller by Customers under Underlying Agreements generally comprise monthly amounts in Sterling calculated with respect to a fixed interest rate. However, the payments on the Class A1 Notes are payable in Dollars and calculated by reference to USD LIBOR and the Relevant Margin. In order to protect the Issuer and the Class A1 Noteholders against material interest rate and exchange rate risks, the Issuer has entered into the Class A Swap Agreement and the Class A1 Swap Agreement (see “—*Class A Noteholders may be subject to interest rate risk*” below for discussion of interest rate risk). Under the Class A1 Swap Agreement (i) the Issuer will make payments calculated by reference to GBP LIBOR plus a margin calculated with respect to the lesser of (a) the Sterling Equivalent Principal Amount Outstanding of the Class A1 Notes and (b) an amount set out in a pre-agreed amortisation schedule with respect to such date, and the Class A1 Swap Counterparty will make payments calculated by reference to USD LIBOR plus the Relevant Margin calculated with respect to the lesser of (A) the Note Principal Amount Outstanding of the Class A1 Notes and (B) an amount set out in a pre-agreed amortisation schedule with respect to such date and (ii) the Issuer will exchange Sterling principal payments received by the Issuer on the Purchased Receivables into Dollar amounts for principal payments on the Class A1 Notes.

The Class A1 Swap Counterparty is only obliged to make payments under the Class A1 Swap as long as the Issuer makes timely payments under the Class A1 Swap. If the Class A1 Swap Counterparty is not obliged to make payments, or if it defaults in its obligations to make payments, of amounts equal to the full amount scheduled to be paid to the Noteholders on the dates for payment specified under the Class A1 Swap or the Class A1 Swap is otherwise terminated, amounts payable to the Class A1 Noteholders will be calculated at the Spot Rate and such Noteholders will consequently be exposed to changes in or differences between the relevant currencies. If any of these events occur there may be insufficient funds to make payments due on the Class A1 Notes, even, under certain circumstances, if a replacement Class A1 Swap is entered into on terms which vary from those of the original Class A1 Swap.

#### ***Notional cap on the Class A1 Swap***

Payments made to the Issuer and to the Class A1 Swap Counterparty under the Class A1 Swap are subject to a cap on the notional amount (according to a pre-agreed amortisation profile set out in the Class A1 Swap). If the Note Principal Amount Outstanding of the Class A1 Notes exceeds the notional amount under the Class A1 Swap on any Payment Date, the USD interest payable on such excess will not be hedged. This would result in the Issuer receiving less from the Class A1 Swap Counterparty than the Interest Amount which is then due and payable on the Class A1 Notes. Although the Issuer is required to pay the Class A1 Additional GBP Set Interest Amount to the Class A1 Noteholders in this circumstance, there is no guarantee that there will be sufficient funds available for any such payment or that the Spot Rate used to convert the Class A1



Additional GBP Set Interest Amount into USD will be similar to the exchange rate provided by the Class A1 Swap. Furthermore, although SCUK may, in its absolute discretion, advance to the Issuer an amount under the Subordinated Loan Agreement which shall be used for the payment of Class A1 Additional GBP Set Interest Amounts, the availability of this advance is not guaranteed. See “*Overview of the Transaction Documents—Subordinated Loan Agreement*” and “*—Credit Aspects of the Transaction—Limited availability of Subordinated Loan Advance and Reserve Fund*”.

### ***Notional cap on the Class A Swap***

Payments made to the Issuer and to the Class A Swap Counterparty under the Class A Swap are subject to a cap on the notional amount (according to a pre-agreed amortisation profile set out in the Class A Swap). If the Class A Notes Principal exceeds the notional amount under the Class A Swap on any Payment Date, such excess will not be hedged. This would result in the Issuer receiving less from the Class A Swap Counterparty than it needs to pay amounts that are due and payable on the Class A Notes. Although the Issuer remains required to pay the applicable Interest Amount to the Class A Noteholders from Available Distribution Amounts in this circumstance, there is no guarantee that there will be sufficient funds available for any such payment.

### ***Class A Noteholders may be subject to interest rate risk***

Payments made to the Seller by any Customer under an Underlying Agreement generally comprise monthly amounts calculated with respect to a fixed interest rate. However, the Issuer is obliged to make payments of interest on the Class A1 Notes calculated with reference to USD LIBOR and on the Class A2 Notes calculated with reference to GBP LIBOR. In order to protect the Issuer and the Class A Noteholders against any material interest rate discrepancy, the Issuer and the Class A Swap Counterparty have entered into the Class A Swap under which the Issuer will make payments by reference to a fixed rate of interest calculated with respect to the lesser of (A) the Class A Notes Principal and (B) an amount set out in a pre-agreed amortisation schedule with respect to such date and the Class A Swap Counterparty will make payments by reference to GBP LIBOR, calculated with respect to the lesser of (A) the Class A Notes Principal and (B) an amount set out in a pre-agreed amortisation schedule with respect to such date.

The Class A Swap Counterparty is only obliged to make payments under the Class A Swap as long as the Issuer makes timely payments under the Class A Swap. If the Class A Swap Counterparty is not obliged to make payments of, or if it defaults in its obligations to make payments of, amounts equal to the full amount scheduled to be paid to the Issuer on the dates for payment specified under the Class A Swap or the Class A Swap is otherwise terminated, the Class A Noteholders will be exposed to changes in or differences between the relevant rates. If any of these events occur there may be insufficient funds to make payments due on the Class A Notes, even, under certain circumstances, if a replacement Class A Swap is entered into on terms which vary from those of the original Class A Swap.

### ***Termination of the Swap Agreements***

Generally, the Swap Agreements may only be terminated upon the occurrence of certain termination events set forth in the applicable 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 each Swap Agreement, the applicable Swap Counterparty will in certain circumstances detailed below be obliged to take certain mitigating actions. However, no assurance can be given that the applicable Swap Counterparty will be able to take such mitigating actions.

In the event that the relevant ratings of the applicable Swap Counterparty and any relevant guarantors fall below the Required Ratings, such 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, arranging for its obligations under the applicable Swap Agreement to be transferred to an entity with the

relevant Required Ratings, or procuring another entity with the Required Ratings to become a guarantor in respect of its obligations under the applicable Swap Agreement.

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

Were an early termination of any Swap Agreement to occur for any reason, no assurance can be given that the Issuer would 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 applicable interest rate or currency risk. 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 a Class or Classes of the Notes by the Rating Agencies. See “*Triggers Tables—Rating Triggers Table*”, “*Overview of the Transaction Documents—Swap Agreements*” and “*Credit Structure—Swap Agreements*”.

***Termination payments under any of the Swap Agreements may adversely affect the funds available to make payments on the Notes***

If any Swap Agreement, or any transaction under a Swap Agreement, terminates, the Issuer may be obliged to pay a termination payment to the related Swap Counterparty. The amount of the applicable termination payment will generally be based on the cost of entering into a replacement swap transaction.

Except where the termination of a Swap Agreement is the result of an event of default under such Swap Agreement in respect of which the related Swap Counterparty is the defaulting party or a termination event following a ratings downgrade of the related Swap Counterparty, the Issuer’s obligation to make termination payments due by it under such Swap Agreement will rank *pari passu* to payments of interest on the Class A Notes but in priority to payments of interest on the Class B Notes and the Class C Note as well as payments of principal on all Notes.

There is no assurance that the Issuer will have sufficient funds available to it to make any termination payments under any Swap Agreement or to make subsequent payments of interest to the Class B Noteholders and the Class C Noteholder or principal to Noteholders in respect of all Notes. Nor can the Issuer give any assurance that it will be able to enter into a replacement swap agreement or, if one is entered into, that the terms of that replacement swap agreement will be as favourable as the terms of the relevant current Swap Agreement or that the credit rating of the replacement swap counterparty (notwithstanding the terms of the Transaction Documents) will be sufficiently high to prevent a reduction, qualification or withdrawal of the then current ratings of any of Notes by the Rating Agencies.

***Currency Swap Deferred Amounts***

Upon the termination of the Class A1 Swap and until the time (if any) that a replacement swap is entered into, amounts paid by the Issuer in Sterling in satisfaction of the amounts due on the Class A1 Notes will be converted into Dollars at the Spot Rate. There is no guarantee that this conversion will be sufficient to meet the payment obligations on the Class A1 Notes and any shortfall will result in the creation of Currency Swap Deferred Amounts.

Payment of Currency Swap Deferred Amounts will only be made to the extent there are Currency Swap Excess Amounts available for such purpose (and in the order set forth in Condition 7.3 (*Currency Swap Deferred Principal*)). In addition, Currency Swap Excess Amounts may be used to fund a replacement swap for the Class A1 Notes. If a replacement swap is entered into at a later date, no new Currency Swap Deferred Amounts or Currency Swap Excess Amounts will arise on or after such date and any then existing Currency

Swap Excess Amounts will form part of the Available Distribution Amount (provided that there are no Currency Swap Deferred Amounts then outstanding) and will be applied under the relevant Priority of Payments.

See “*Credit Structure—Swap Agreements*”, and “*Credit Structure—Pre-Enforcement Priority of Payments*” and “*—Post-Enforcement Priority of Payments*”.

### ***Impact of EMIR on the Swap Agreements***

EMIR introduced a number of regulatory requirements for counterparties to derivatives contracts including (i) a mandatory clearing obligation for certain classes of OTC derivatives contracts (the **Clearing Obligation**); (ii) collateral exchange, daily valuation and other risk mitigation requirements for OTC derivatives contracts not subject to clearing (the **Risk Mitigation Requirements**); and (iii) certain reporting requirements. In general, the application of such regulatory requirements in respect of the Swap Agreements will depend on the classification of the counterparties to such derivative transactions.

Pursuant to EMIR, counterparties can be classified as: (i) financial counterparties (**FCs**), and (ii) non-financial counterparties (**NFCs**). The category of “NFC” is further split into: (i) non-financial counterparties above the “clearing threshold” (**NFC+s**), and (ii) non-financial counterparties below the “clearing threshold” (**NFC-s**). Whereas FCs and NFC+ entities may be subject to the Clearing Obligation or, to the extent that the relevant swaps are not subject to clearing, to the collateral exchange obligation and the daily valuation obligation under the Risk Mitigation Requirements, such obligations do not apply in respect of NFC- entities.

The Issuer is currently an NFC-, although a change in its position cannot be ruled out. Should the status of the Issuer change to NFC+ or FC, this may result in the application of the Clearing Obligation or the collateral exchange obligation under the Risk Mitigation Requirements, although it seems unlikely that the Issuer would be above the “clearing threshold” or that the Swap Agreements would be a relevant type of OTC derivative contract that would be subject to the Clearing Obligation under the relevant implementing measures made to date.

Notwithstanding the qualifications on application noted above, the position of the Swap Agreements under each of the Clearing Obligation and collateral exchange obligation is not entirely clear. If the classification of the Issuer changes and, to the extent relevant, one or both of the Swap Agreements is regarded to be in-scope, then it may become subject to the Clearing Obligation or (more likely) to the collateral exchange obligation. Prospective investors should note that there is some uncertainty with respect to the ability of the Issuer to comply with these obligations if applicable, which, although it will not make the Swap Agreements invalid or unenforceable, may (i) lead to regulatory sanctions, (ii) adversely affect the ability of the Issuer to continue to be party to the relevant Swap Agreement (possibly resulting in a restructuring or termination of the swap) and/or (iii) significantly increase the cost of such arrangements, thereby negatively affecting the ability of the Issuer to hedge certain risks. As a result, the amounts available to the Issuer to meet its obligations may be reduced, which may in turn result in investors’ receiving less interest or principal than expected.

It should also be noted that further changes may be made to the EMIR framework in the context of the EMIR review process, including in respect of counterparty classification. In this regard, the European Commission has published legislative proposals providing for certain amendments to EMIR. If the proposals are adopted in their current form, the classification of certain counterparties under EMIR would change including with respect to certain securitisation vehicles such as the Issuer. It is not clear when, and in what form, the legislative proposals (and any corresponding technical standards) will be adopted and will become applicable. In addition, the compliance position under any adopted amended framework of swap transactions entered into prior to application is uncertain. No assurances can be given that any changes made to EMIR would not cause the status of the Issuer to change and lead to some or all of the potentially adverse consequences outlined above.

Lastly, it should be noted that, as described under “*—Noteholders will be deemed to have consented to certain modifications to the Transaction Documents so long as less than 10 per cent. of the Controlling Class objects*”

to such modifications”, EMIR-related amendments may be made to the Transaction Documents and/or to the Conditions.

### **Considerations Relating to the Notes Following an Issuer Event of Default or Delivery of an Enforcement Notice**

#### ***Proceeds of a sale of the Purchased Receivables may be insufficient to pay the Notes in full***

Following delivery of an Enforcement Notice, the Purchased Receivables and any Related Collateral may be sold or otherwise liquidated. In this situation, there is no assurance that the market value of the Purchased Receivables will at any time be equal to or greater than the Aggregate Note Principal Amount Outstanding of the Notes. If, following enforcement of the Security, the proceeds of such enforcement prove ultimately insufficient, after payment of all claims ranking in priority to amounts due under the Notes, to pay in full all principal and interest and other amounts whatsoever due in respect of the Notes, any shortfall arising will be extinguished and the Noteholders will have no further claim against the Issuer in respect of any such amounts nor will Noteholders have recourse to any other person for the loss sustained. See Condition 3 (*Provision of Security; Limited Payment Obligation; Issuer Event of Default*) for more information.

#### ***Subordination following delivery of an Enforcement Notice***

The Issuer’s obligations under the Trust Deed, the Cash Administration Agreement, the Corporate Administration Agreement, the Account Bank Agreement, the Servicing Agreement and the Agency Agreement will be secured by the Security and such obligations will rank, in respect of payment following the delivery of an Enforcement Notice, senior to payments of interest and principal on all Notes. The Issuer’s obligations under the Swap Agreements will also be secured by the Security and will rank, in respect of payment following the delivery of an Enforcement Notice, as follows: (i) all amounts (excluding termination payments) due and payable by the Issuer to a Swap Counterparty will rank senior to payments of interest and principal on the Notes and (ii) termination payments due and payable to a Swap Counterparty (other than termination payments because of an event of default where any Swap Counterparty is the defaulting party) will rank *pari passu* to payments of interest on the Class A Notes, senior to payment of principal in respect of all Notes, and senior to payments of interest on the Class B Notes and the Class C Note. The senior or *pari passu* (as applicable) ranking of the obligations of the Issuer under the Trust Deed, the Cash Administration Agreement, the Corporate Administration Agreement, the Account Bank Agreement, the Servicing Agreement, the Agency Agreement and the Swap Agreements following delivery of an Enforcement Notice may result in an insufficient amount of cashflow to make required payments of interest and/or principal on the Notes. See “*Overview of the Transaction Documents—Deed of Charge*”.

### **Other Considerations Relating to the Notes**

#### ***Limited obligations, non-petition provisions and a lack of a sufficient Available Distribution Amount may affect payments on the Notes***

The Notes represent obligations of the Issuer only, and do not represent obligations of, and are not guaranteed by, any other person or entity. In particular, the Notes do not represent obligations of, and will not be guaranteed by, any of the Seller, the Servicer, the Back-up Servicer Facilitator, the Trustee, the Account Bank, the Transaction Account Bank, any Swap Counterparty, the Principal Paying Agent, the U.S. Paying Agent, the Registrar, the U.S. Registrar, the Subordinated Loan Provider, the Agent Bank, the Calculation Agent, the Cash Administrator, the Arranger, the Managers, the Corporate Administrator, the Listing Agent, the Common Safekeeper, the Common Services Provider, the DTC Custodian or any of their respective affiliates or any affiliate of the Issuer or any other party (other than the Issuer) to the Transaction Documents or any other third person or entity (other than the Issuer).

The assets of the Issuer are the only source of funds for payments on the Notes and the Issuer’s ability to make payments of principal and interest on the Notes and to pay its operating and administrative expenses will depend primarily on (i) the transfer by the Seller of payments received by the Seller from Customers making

payments under the Underlying Agreements and (ii) payments by a Swap Counterparty pursuant to the applicable Swap Agreement. Other than the resources described above, the Issuer will not have any other significant sources of funds available to meet its obligations under the Notes and/or any other payments ranking in priority to the Notes. If the resources described above cannot provide the Issuer with sufficient funds to enable it to make the required payments on the Notes, Noteholders may incur a loss of interest and/or principal which would otherwise be due and payable on the Notes.

Furthermore, holding Notes does not confer any right to, or interest in, any Underlying Agreement or the related Financed Vehicle, or any right against the related Customer or any third party in connection with the Underlying Agreements or against SCUK. The Noteholders are relying on the business judgment and practices of the Servicer when enforcing claims against the Customers. See “*Overview of the Transaction Documents—Servicing Agreement*” and “*Credit and Collection Policy*”.

In addition, none of the Noteholders, the Trustee or the other Secured Creditors (or any other person acting on behalf of any of them) will be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, winding-up, re-organisation, examinership, arrangement, insolvency or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations relating to the Notes, the Trust Deed or the other documents relating to the issue of the Notes, save for in very limited circumstances, for two years and one day after the latest date on which the Notes are due to mature.

### ***Replacement of the Servicer***

Following the occurrence of a Servicer Termination Event, or upon the retirement of the Servicer, the performance of the Servicer’s obligations under the Servicing Agreement will be undertaken by a Successor Servicer appointed by the Issuer who is able and agrees to perform the Services and enter into a replacement servicing agreement on substantially the same terms as the Servicing Agreement. In addition, a Successor Servicer would be required to be duly qualified and authorised to service the Underlying Agreements which are subject to certain regulatory requirements.

If SCUK resigns or its appointment as Servicer is terminated, the processing of payments on the Purchased Receivables and the transmission of information relating to Collections and the recovery and resale of the Financed Vehicles could be delayed which could, in turn, cause delays in payments on the Notes. SCUK (or any Successor Servicer) may be removed as Servicer if it defaults on its servicing obligations or if it becomes subject to insolvency proceedings. Further, a Successor Servicer, even if willing and able to act in accordance with the terms of the Servicing Agreement, may be less effective in this role than SCUK given SCUK’s experience in servicing the Purchased Receivables. Finally, any Successor Servicer may charge a fee on a basis different from that of SCUK and payment of this fee will rank prior to payments on the Notes. See “*Overview of the Transaction Documents—Servicing Agreement*”.

Banco Santander will agree in the Servicing Agreement to act as a Back-up Servicer Facilitator, which will require it to (i) use reasonable endeavours to select a Successor Servicer satisfying the requirements set out in the Servicing Agreement and willing to assume the duties of a Successor Servicer in the event that a Servicer Termination Notice is delivered, (ii) review the information provided to it by the Servicer under the Servicing Agreement, (iii) enter into appropriate data confidentiality provisions, (iv) verify and confirm that the terms of any replacement servicing agreement require the Successor Servicer to put in place new direct debit mandates, (v) notify the Servicer if it requires further assistance, (vi) assist the Servicer to deliver a Notification Event Notice with respect to a Servicer Termination Event, and/or (vii) verify and confirm that the terms of any replacement servicing agreement require the Successor Servicer to set up alternative payment arrangements with the Customers with respect to a Servicer Termination Event.

### ***Forwarding of payments received by the Servicer after the relevant Calculation Date***

The Servicer has undertaken to transfer any Collections it receives in its capacity as Seller to the Transaction Account within one Business Day following receipt by it into the Seller Accounts. No guarantee is given that

the Servicer will promptly (or within one Business Day) forward all amounts collected from Customers pursuant to the relevant Underlying Agreements to the Transaction Account. No specific cash reserve other than the Reserve Fund will be established to avoid any resulting shortfall in the payments of principal and interest by the Issuer in respect of the Notes, and amounts on deposit in the Reserve Fund are limited and are only available for the Class A Notes and the Class B Notes. Consequently, any Collections that are forwarded to the Transaction Account after the relevant Calculation Date will not be available for payments to Noteholders until subsequent Payment Dates. See “*Overview of the Transaction Documents—Servicing Agreement—Termination of the Servicing Agreement*”.

### ***Reliance on third parties***

The ability of the Issuer to meet its obligations under the Notes will be dependent upon the performance of duties owed by a number of third parties that will agree to perform services in relation to the Notes. For example, the Class A1 Swap Counterparty will provide the Class A1 Swap, the Class A Swap Counterparty will provide the Class A Swap, the Corporate Administrator will provide corporate services under the Corporate Administration Agreement, and the Principal Paying Agent, the U.S. Paying Agent, the Agent Bank and the Calculation Agent will provide payment and calculation services in connection with the Notes. In the event that any of these third parties fails to perform its obligations under the respective agreements to which it is a party, or the creditworthiness of these third parties deteriorates, the Noteholders may be adversely affected. See “*Overview of the Transaction Documents*”.

### ***No independent investigation and limited information***

None of the Arranger, the Managers, the Trustee nor the Issuer has undertaken or will undertake any investigations, searches or other actions to verify the details of the Purchased Receivables or to establish the creditworthiness of any Customer or any other party to the Transaction Documents. Each of the Arranger, the Managers, the Trustee and the Issuer will rely solely on the accuracy of the representations and warranties given by the Seller to the Issuer in the Receivables Sale Agreement in respect of the Purchased Receivables, the Customers, the Underlying Agreements and the Related Collateral. The benefit of all such representations and warranties given to the Issuer will be assigned by the Issuer by way of security in favour of the Trustee under the Deed of Charge.

The Seller is under no obligation to, and will not, provide the Arranger, the Managers, the Trustee or the Issuer with financial or other information specific to individual Customers and Underlying Agreements to which the Purchased Receivables relate. The Arranger, the Managers, the Trustee and the Issuer will only be supplied with general aggregated information regarding the Customers and the Underlying Agreements, none of which the Arranger, the Managers, the Trustee or the Issuer has taken or will take steps to verify.

### ***Right to Financed Vehicles***

The Issuer will acquire from the Seller certain interests in the Purchased Receivables, including rights to receive payments from Customers under the Underlying Agreements, the Financed Vehicle resale proceeds and other ancillary rights under the Underlying Agreements.

Save to the extent that any Financed Vehicle resale proceeds arise pursuant to a PCP Agreement and are apportioned by the Servicer to the Guaranteed Future Value Payment component of such agreement, such proceeds will, subject to the applicable Priority of Payments, be available to the Issuer to make payments in respect of the Notes.

However, it may be difficult to trace and repossess a Financed Vehicle. In addition, any proceeds of sale of a Financed Vehicle by SCUK following its repossession or redelivery may be less than the amount owed under the related Underlying Agreement, and any Financed Vehicle may be subject to an existing lien (for example, in respect of repairs carried out by a garage for which no payment has yet been made). The rates of depreciation of the Financed Vehicles may exceed the decrease of the Aggregate Asset Amount Outstanding. In particular, new vehicles may experience a significant decline in value immediately after the date on which

they are first acquired by a Customer. Additionally, pricing of used vehicles fluctuates according to supply and demand which is driven by broader economic factors. Consequently, during the first years of an Underlying Agreement, the value of the related Financed Vehicle may be lower than the Asset Amount Outstanding of the relevant Purchased Receivable.

### ***No transfer of title to Financed Vehicles***

In relation to Underlying Agreements in respect of which the Seller retains title to the vehicle, the Issuer will not obtain title to the Financed Vehicles nor will it have any direct right to repossess a Financed Vehicle if a Customer defaults.

### ***No right to Guaranteed Future Value Payments***

Purchased Receivables and Related Collateral which arise pursuant to a PCP Agreement include the right to receive the related Guaranteed Future Value Payment, as well as any Scheduled Payments. Approximately 32.84 per cent. and 39.63 per cent. of the aggregate outstanding balance of the Underlying Agreements in the Provisional Portfolio as at the Cut-Off Date correspond to the Scheduled Payment component and the Guaranteed Future Value Payment component, respectively, of PCP Agreements.

Although payments or proceeds received in respect of any PCP Agreement will generally be apportioned by the Servicer first to the Scheduled Payments outstanding under such PCP Agreement (such that they form part of the Available Distribution Amount and will, subject to the applicable Priority of Payments, be available to make payments in respect of the Notes) and, only following satisfaction in full of such Scheduled Payments, to the Guaranteed Future Value Payment under such PCP Agreement (see “*Overview of the Transaction Documents—Apportionment of Collections in respect of Purchased Receivables arising from PCP Agreements*”), amounts apportioned by the Servicer to the Guaranteed Future Value Payment component of any PCP Agreement (to the extent such amounts constitute Collections) shall only be available for payments of the Senior Deferred Consideration to the Seller and shall not form a part of the Available Distribution Amount. Accordingly, no Class of Notes will have the benefit of the Guaranteed Future Value Payment component of any PCP Agreement (either prior to, or following, the service of an Enforcement Notice).

For further details, see “*Description of the Portfolio*” and “*Overview of the Transaction Documents—Receivables Sale Agreement*”.

### ***Contractual Priorities of Payments***

The validity of contractual priorities of payments such as those contemplated in this Transaction has been challenged in the English and U.S. courts. The hearings have arisen due to the insolvency of a secured creditor (in that case a swap counterparty) and have considered whether such payment priorities breach the “anti-deprivation” principle under English insolvency law and the bankruptcy law rules against “ipso facto” provisions under U.S. bankruptcy law. The anti-deprivation principle in the U.K., and the rule against “ipso facto” provisions in the U.S., prevents a party from agreeing to a provision that deprives its creditors of an asset upon its insolvency. It was argued that, where a secured creditor subordinates itself to noteholders in the event of its insolvency, that secured creditor effectively deprives its own creditors. The Supreme Court of the United Kingdom in *Belmont Park Investments Pty Limited v BNY Corporate Trustee Services Limited and Lehman Brothers Special Financing Inc.* [2011] UKSC 38 unanimously upheld the decision of the Court of Appeal in dismissing this argument and upholding the validity of similar priorities of payment, stating that, provided that such provisions form part of a commercial transaction entered into in good faith which does not have as its predominant purpose, or one of its main purposes, the deprivation of the property of one of the parties on bankruptcy, the anti-deprivation principle was not breached by such provisions.

Contrary to this, however, a U.S. Bankruptcy Court has held in two separate cases that such a subordination provision is unenforceable under U.S. bankruptcy law and that any action to enforce such a provision would violate the automatic stay which applies under such law in the case of a U.S. bankruptcy of the counterparty.

This is an aspect of cross border insolvency law which remains unresolved. So, whilst the priority issue is considered largely resolved in England and Wales, concerns still remain that the English and U.S. courts will diverge in their approach which, were a Swap Counterparty (or any replacement) to be subject to U.S. bankruptcy proceedings and the validity of the subordination provisions contemplated in this Transaction to be the subject of an unfavourable decision in the U.S., may adversely affect the Issuer's ability to make payments on the Notes.

There remains the issue whether, in respect of the foreign insolvency proceedings relating to a creditor located in a foreign jurisdiction, an English court will exercise its discretion to recognise the effects of the foreign insolvency proceedings, whether under the Cross-Border Insolvency Regulations 2006 or any similar common law principles. Given the current state of U.S. law, this is likely to be an area of continued judicial uncertainty particularly in respect of multi-jurisdictional insolvencies.

In general, if a subordination provision included in the priorities of payments as contemplated in this Transaction were successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales and any relevant foreign judgment or order were recognised by the English courts, there could 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.

### ***Conflicts of interest***

SCUK is acting in a number of capacities in connection with this Transaction. SCUK will have only those duties and responsibilities expressly agreed to by it in the Transaction Documents to which it is a party and will not, by virtue of its or any of its affiliates acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided therein. SCUK, in its various capacities in connection with this Transaction, may enter into business dealings from which it may derive revenues and profits without any duty to account therefor in connection with this Transaction.

Santander UK plc will have only those duties and responsibilities expressly agreed to by it in the Transaction Documents to which it is a party and will not, by virtue of its or any of its affiliates acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided therein. Santander UK plc, in its various capacities in connection with this Transaction, may enter into business dealings from which it may derive revenues and profits without any duty to account for them in connection with this Transaction.

U.S. Bank National Association, and Elavon Financial Services DAC are acting in a number of capacities in connection with this Transaction. Each of U.S. Bank National Association and Elavon Financial Services DAC will have only those duties and responsibilities expressly agreed to by it in the Transaction Documents to which it is a party and will not, by virtue of its or any of its affiliates acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided therein. Each of U.S. Bank National Association and Elavon Financial Services DAC, in its various capacities in connection with this Transaction, may enter into business dealings from which it may derive revenues and profits without any duty to account therefor in connection with this Transaction.

The Servicer may hold and/or service claims against the Customers other than with respect to the Purchased Receivables. The interests or obligations of the Servicer with respect to such other claims may conflict with its interests or obligations with respect to this Transaction.

Each of the Arranger and the Managers may engage in commercial relationships, in particular, be a lender and provide investment banking and other financial services to the Customers and other parties. In such relationships the Arranger and the Managers are not obliged to take into account the interests of the Noteholders. Accordingly, conflicts of interest may arise in this Transaction.



Notes may be preplaced by the Arranger and the Managers with investors, who may include members of the Santander UK group.

***Class A Noteholders and Class B Noteholders have to rely on the procedures of DTC, Euroclear and Clearstream, Luxembourg for transfer, payment and communication with the Issuer***

Unless Definitive Notes are issued in respect of the Class A Notes and the Class B Notes, the Class A Notes and the Class B Notes will be issued as Book-Entry Interests and will be represented by Global Notes held through DTC, Euroclear or Clearstream, Luxembourg, as applicable. 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, as applicable, under the Trust Deed and will not have a direct right to vote in respect of their Notes. Instead such holders will be permitted to act only to the extent that they are enabled by DTC, Euroclear or Clearstream, Luxembourg to appoint appropriate proxies.

Cede & Co., on behalf of DTC, or the Common Safekeeper, as applicable, will be considered the registered holder of the related Global Notes and will be the sole legal holder of such Global Notes under the Trust Deed. Accordingly, each person owning a Book-Entry Interest must rely on the relevant procedures of DTC or Euroclear or Clearstream, Luxembourg, as applicable, 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. 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 will be permitted to act only to the extent it has received appropriate proxies to do so from DTC and 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 to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Issuer Event of Default under the Notes, holders of Book-Entry Interests will be restricted to acting through DTC, Euroclear or Clearstream, Luxembourg, as applicable, unless and until Definitive Notes are issued in accordance with the relevant provisions described under Condition 1 (*Form and Denomination*). There can be no assurance that the procedures to be implemented by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

In addition, payments of principal and interest on, and other amounts due in respect of, the Global Notes will be made by the Principal Paying Agent to either the U.S. Paying Agent, in the case of payments to Cede & Co., or to the Common Safekeeper, as applicable. Upon receipt of any payment from the relevant Paying Agent, DTC, Euroclear or Clearstream, Luxembourg, as applicable, will promptly 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 participants 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 Trustee, any Paying Agent, the Registrar or the U.S. Registrar 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.

Transfers of the Class A Notes and the Class B Notes will also be affected because such Notes are offered as Book-Entry Interests. Although DTC, Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of Book-Entry Interests among participants of DTC and 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 Trustee, any Paying Agent, the Registrar, the U.S. Registrar or any of their agents will have any responsibility for the performance by DTC, Euroclear or Clearstream, Luxembourg or their respective participants or account holders of their respective obligations under the rules and procedures governing their operations.

In addition, the lack of Notes in definitive form could create difficulties for Class A Noteholders and Class B Noteholders. In addition to the possibility that certain pledgees may request Notes in definitive form, as transactions in certain of the Global Notes will be effected only through direct or indirect participants in DTC's book entry system and certain banks, the ability of a holder to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such interests, may be limited due to the lack of a definitive security representing such interest.

Furthermore, as described in more detail under "*Credit Aspects of the Transaction—Noteholders will be deemed to have consented to certain modifications to the Transaction Documents so long as less than 10 per cent. of the Controlling Class objects to such modifications*", the provisions of the Trust Deed and the Conditions relating to the convening of meetings of Noteholders and passing Extraordinary Resolutions differ from the equivalent provisions in many UK securitisations issued before the Closing Date. In particular, the Trust Deed and the Conditions provide for matters ordinarily required to be passed by Extraordinary Resolution to be deemed to be passed by negative consent in certain circumstances.

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

The Notes have a denomination consisting of a minimum authorised denomination of (in respect of the Class A2 Notes, the Class B Notes and the Class C Note) £100,000 and integral multiples of £1,000 (or £1, in relation to the Class C Note) in excess thereof, and (in respect of the Class A1 Notes) of \$250,000 and integral multiples of \$1,000 in excess thereof. 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 A1 Notes, the Class A2 Notes and the Class B Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that such Notes are intended upon issue to be registered in the name of the Common Safekeeper (or a nominee thereof) with one of Euroclear or Clearstream, Luxembourg as Common Safekeeper, and does not necessarily mean that the Class A Notes or 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 Class C Note will not be held in a manner to allow Eurosystem eligibility.

In November 2015, the ECB published amending Guideline (EU) 2016/64, which amended the definition of "leasing receivables" to mean "the scheduled and contractually mandated payments by the lessee to the lessor under the term of a lease agreement". Residual values are not leasing receivables. Personal Contract Purchase (PCP) agreements, i.e. agreements pursuant to which the obligor may exercise its option: (a) to make a final payment to acquire full legal title of the goods; or (b) to return the goods in settlement of the agreement; are assimilated to leasing agreements". Consequently, if any receivables under PCP Agreements which support payments on the Notes were to be regarded as residual values, then they would not be considered to be "leasing receivables" and the Notes would therefore not be recognised as Eurosystem eligible collateral. It should be noted in this regard that the Guaranteed Future Value Payment component of a Purchased Receivable subject to a PCP Agreement (which might be at risk of being classified a "residual value") shall not be applied to make payments in respect of the Notes and will be returned to the Seller as Senior Deferred Consideration.

Neither the Issuer nor the Seller, nor any other Transaction Party, 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 (as applicable) 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. For example, pursuant to a referendum held in June 2016, the UK has voted to leave the European Union (see "*Commercial Risks Relating to Investment in the Notes—General market volatility and post-UK referendum uncertainty*"), which will impact the eligibility of the Notes under the Eurosystem monetary policy framework of the European Central Bank. 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.

## **Legal Structure**

### ***Change of law***

The structure of the Trust Deed, the Deed of Charge, the Receivables Sale 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 U.S., English, Scots and Northern Irish law and administrative practice in effect as at the date of this Prospectus as they affect the Transaction Parties and the Portfolio, and having regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given as to the impact of any possible change of U.S., English, Scots or Northern Irish law (including any change in regulation which may occur without a change in primary legislation) or administrative practice or tax treatment after the date of this Prospectus.

### ***Notice of assignment***

The assignment by the Seller of the Purchased Receivables governed by English law will take effect in equity only because no notice of the assignment will be given to Customers unless a Notification Event occurs.

Until he or she has received a Notification Event Notice notifying it of the Seller's assignment, a Customer may effect payment to SCUK or enter into any other transaction with respect to the relevant Purchased Receivable with SCUK. Delivery of a Notification Event Notice would have the following consequences:

- notice 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; and
- notice would mean that the Customer should no longer make payment to the Seller as creditor under the relevant Underlying Agreement but should make payment instead to the Issuer (and, if the Customer were to ignore a notice of assignment and pay the Seller for its own account, the Customer would still be liable to the Issuer for the amount of such payment).

In addition, until notice is given to the Customer of the assignment by the Seller to the Issuer of the Purchased Receivables and Related Collateral, equitable set-offs (such as for misrepresentation and breach of contract) may accrue in favour of the Customer in respect of the 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 before the assignment and to any equities which may arise in the Customer's favour after the assignment until (if ever) receipt of actual notice of the assignment. If a Customer claims that a right of set-off or counter-claim has arisen in his favour against the Seller and fails to pay in full all amounts due from him under the relevant Underlying Agreement, the Seller will indemnify the Issuer against the amount set-off or counter-claimed by such Customer.

Legal title to the Scottish Receivables will remain with SCUK because no formal assignation thereof duly intimated to the relevant Customers will be made unless a Notification 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 relation to Purchased Receivables governed by English law. Notice to a Customer will have a broadly similar effect in relation to Scottish Receivables to that described above in relation to Purchased Receivables governed by English law. The security interests granted by the Issuer in favour of the Trustee over the Issuer's interest in the Purchased Receivables include, among other things, an assignment in security of the Issuer's interest in the Scottish Receivables.

### ***Sharing with other creditors***

The proceeds of enforcement and collection of the Security created by the Issuer in favour of the Trustee (for its own account and as trustee for the other Secured Creditors) (excluding, for the avoidance of doubt, any Seller Amounts, any amounts received by the Issuer but held on trust for the benefit of the Seller in accordance with the Receivables Sale Agreement and any amounts received by the Issuer as Collections and apportioned by the Servicer to the Guaranteed Future Value Payment component of any PCP Agreement) will be used in accordance with the Post-Enforcement Priority of Payments to satisfy claims of all Secured Creditors thereunder. See "*Overview of the Transaction Documents—Deed of Charge*".

Pursuant to the Post-Enforcement Priority of Payments the claims of certain Secured Creditors will rank senior to the claims of the Noteholders. To this extent, payments by the Issuer of amounts due to the Noteholders under the Transaction Documents will be made after the discharge of such prior-ranking claims in accordance with such Post-Enforcement Priority of Payments.

### ***English 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. In certain circumstances, including the occurrence of certain insolvency events in respect of the Issuer, the ability to realise the Security may be delayed and/or the value of the Security 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 provisions of section 176A of the Insolvency Act, 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.

## **Regulatory and Tax Risks**

### ***The Impact of MiFID II on the Swap Agreements***

The directive and regulation amending the existing Markets in Financial Instruments Directive 2004/39/EC (**MiFID II**), which came into force on 12 June 2014, are set to become fully effective on 3 January 2018, subject to the development of further delegated acts. MiFID II will require certain types of derivatives transactions that are subject to the clearing obligation in EMIR to be executed on a trading venue (the **Trading Obligation**). However, the precise terms of the Trading Obligation are unclear as the technical standards that will define that obligation are not yet finalised. In this respect, it is difficult to predict the full impact of these regulatory requirements on the Issuer or the Swap Agreements.

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

A credit agreement is regulated by the Consumer Credit Act 1974 as amended (the **CCA**) in the following circumstances:

- (i) for agreements made prior to 1 April 2014, 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, subject to certain transitional provisions, 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); or
- (ii) for agreements made on or after 1 April 2014, if it is a regulated credit agreement for the purposes of Chapter 14A of Part 2 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, as amended (the **RAO**), i.e. if it involves the provision of credit of any amount by a lender to an individual or "relevant recipient of credit" (which includes certain small partnerships and certain unincorporated associations) and does not fall within any of the exemptions set out in articles 60C to 60H of the RAO (for example, certain credit agreements for business purposes with an amount of credit exceeding £25,000 are exempt agreements).

All of the Underlying Agreements are regulated by the CCA.

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

- (i) The creditor has to comply with authorisation (or, prior to 1 April 2014, licensing) requirements and the credit agreement must comply with origination requirements. If they do not comply with those requirements and the credit agreement 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 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 will have 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, insurance products where the lender can be liable to the customer for misrepresentation and breach of contract by an insurer in an insurance contract between the insurer and the customer 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 by a Customer 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, notices of default sums or default notices (although any such unenforceability may be cured prospectively by the lender remedying the breach); (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 a 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. This power applies both to most exempt credit agreements, as well as to regulated credit agreements. 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 customer alleges that an unfair relationship exists, then the burden of proof is on the lender to prove the contrary. Where add-on products such as Guaranteed Asset Protection (**GAP**) insurance are sold and are subject to significant commission payments, it is possible that the non-disclosure of commission by the lender is a factor that could form part of a finding of an unfair relationship. In November 2014, the Supreme Court clarified in *Plevin v Paragon Personal Finance Limited* [2014] UKSC 61 that compliance with the relevant regulatory rules by the creditor (or a person acting on behalf of the creditor) does not preclude a finding of unfairness, as a wider range of considerations may be relevant to the fairness of the relationship than those which would be relevant to the application of the rules. Following this judgment, the FCA published a consultation paper in November 2015 entitled "Rules and Guidance on payment protection insurance complaints" (CP 15/39). On 2 August 2016, the FCA published feedback to CP 15/39, together with a further consultation paper, CP 16/20, on changes to the proposed rules and guidance concerning the handling of payment protection insurance (**PPI**) complaints in light of *Plevin*. The results of the consultation and the final rules and guidance, policy statement PS 17/3, were published on 3 March 2017 and may result in an increase in the volume of *Plevin*-based unfair relationship claims brought against lenders who failed to disclose significant PPI commissions when entering into credit agreements. A key aspect of the FCA's final rules is a PPI complaints deadline falling two years from 29 August 2017, when the proposed rules came into force

– hence PPI consumers would have until 29 August 2019 to complain to the firm or the Financial Ombudsman Service (the **FOS**). In addition, it is possible, given the breadth of the provisions as interpreted by the Supreme Court, that unfair relationship challenges may be made in connection with aspects of personal contract purchase terms. It is not possible to identify all of the potential sources of challenge but, for example, terms which require the payment of excess mileage costs might operate adversely to certain Customers and could therefore, in principle, be subject to challenge.

Although the FCA told firms to be aware of *Plevin* and its impact on lenders' failure to disclose commissions during its GAP insurance consultation CP 14/29 in the Spring of 2015, the FCA did not address *Plevin* when it published its policy statement PS 15/13 in June 2016 and PS 17/3 does not extend the *Plevin* PPI complaints rules and guidance specifically to undisclosed commissions in relation to GAP insurance.

- (ix) The regulator for consumer credit is the FCA (and before 1 April 2014 it was the Office of Fair Trading (the **OFT**)). SCUUK as the Seller and the Servicer was authorised by the FCA on 9 December 2015 and holds Part 4A permissions from the FCA for its regulated activities relating to consumer credit. Prior to receiving such authorisation, SCUUK held a consumer credit licence from the OFT and, subsequently, an interim permission from the FCA from 1 April 2014 to 9 December 2015. SCUUK 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 by a Customer may adversely affect the Issuer's ability to make payments in full when due on the Notes.
- (xi) 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. As the FOS makes its decisions based on its view of what is fair and reasonable and good practice, rather than strictly on the basis of compliance with the law, 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 concerned may 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. For example, where agreements are unenforceable without a court order due to minor documentary defects, lenders have historically pursued such debts as though they are simply enforceable, until such time as those defects were raised by the borrower and/or the court in any claim. However, in circumstances where such enforceability may be challenged, there is some doubt as to how a court or the FCA will interpret the relevant documentary defects and the enforcement of such debts. If a court or the FCA were to take a view that lenders are required to notify borrowers of such defects before pursuing enforcement, this would represent a significant compliance cost. It should thus be borne in mind that enforcement may be a lengthier and more costly process in future.

In addition, the main consequences of a conditional sale agreement (including a personal contract purchase agreement) being regulated by the CCA are as described in paragraphs (xiii) to (xix) below.

- (xiii) The lender is liable to the customer for pre-contractual statements to the customer by a credit-broker, such as a 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 conditional sale agreement. This liability arises in relation to a Financed Vehicle, and can apply, 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 an Underlying Agreement, then the Customer is entitled to claim the same types of remedies as described in "*—Sale of Goods Act 1979*". The Customer may set off the amount of any such money claim against the amount owing by the Customer under the Underlying Agreement (or exercise analogous rights in Scotland or Northern Ireland). Any such set-off by a Customer may adversely affect the Issuer's ability to make payments in full when due on the Notes.
- (xiv) When the customer is in breach of 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 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.
- (xv) The lender is not entitled to enter any premises to take possession of any goods subject to 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.
- (xvi) The customer is entitled to terminate the conditional sale agreement before final payment 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 Financed Vehicle on part-exchange is less than the amount that would be payable on early settlement.
- (xvii) 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 Seller 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 Financed Vehicle to the Customer under certain Underlying Agreements) less any net proceeds of sale of the Financed Vehicle. Thus the Underlying Agreements reflect those court decisions favourable to the lender on this point.
- (xviii) 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.
- (xix) A disposition of the financed goods by the customer to a *bona fide* private purchaser without notice of the conditional sale agreement will transfer to the purchaser the creditor's title to the financed goods.



## ***Sale of Goods Act 1979***

The Sale of Goods Act 1979 as amended (the **SGA**) applies to all conditional sale agreements entered into prior to 1 October 2015 (the **CRA Commencement Date**) and business-to-business conditional sale agreements (regardless of when they were entered into). For business-to-consumer conditional sale agreements entered into on or after the CRA Commencement Date, the Consumer Rights Act 2015 (the **CRA**) applies (see “—*Consumer Rights Act 2015*”).

Where the SGA applies, it provides that a contract for the sale of goods contains implied terms as to title, description and quality or fitness of the goods. The Unfair Contract Terms Act 1977 (**UCTA**) provides that: (a) the implied term as to title cannot be excluded by any contract term; and (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 conditional sale agreement governed by English law are in breach of any term implied by the SGA, 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 conditional sale agreement governed by Scots law, then the customer is entitled to reject the goods and to treat the contract as repudiated by the lender and also to 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.

The customer may set off the amount of any money claim for breach of any term implied by the SGA against the amount owed 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 by a Customer may adversely affect the Issuer’s ability to make payments in full when due on the Notes.

The operating agreement entered into with each Dealer provides that the Dealer will indemnify the Seller for certain breaches by the Dealer, including the Financed Vehicle being in breach of certain terms implied by statute. The Seller has sold any such claims against the Dealers to the Issuer. No assurance can be given, however, that the indemnity will cover all or any loss incurred by the Seller as a result of breach by the Dealer, including as a result of any Financed Vehicle being in breach of any term implied by 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, as amended (the **UTCCR**), apply to business-to-consumer contracts entered into prior to the CRA Commencement Date only. For business-to-consumer contracts entered into on or after the CRA Commencement Date, the CRA applies (see “—*Consumer Rights Act 2015*”).

Where the UTCCR apply, they 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 or she has paid it, he or she may claim against the originator, or any assignee such as the Issuer, repayment of the amount of the 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 or she has taken out 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.

Before 1 April 2014, the OFT addressed unfair terms in issuing licences and guidance under the CCA and in issuing guidance under the UTCCR. For example, in the context of the investigation by the OFT into credit card default fees, the OFT 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 were likely to apply to analogous default fees in other contracts. The principles were in essence that terms imposing default fees should not have the object of raising more in revenue than would be 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 CONC 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".

On 1 April 2014, the OFT ceased to exist and its enforcement powers in relation to unfair terms in consumer contracts transferred to the Competition and Markets Authority (**CMA**). Additionally, 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 other regulated activities). The CMA and FCA concurrently supervise unfair terms under the UTCCR and the CRA. There is a memorandum of understanding dated 12 January 2016 (the **Memorandum of Understanding**) that outlines the nature of this arrangement. Importantly, the Memorandum of Understanding clarifies that it is the FCA's responsibility to consider fairness within the meaning of the CRA and UTCCR in financial services contracts entered into by authorised firms or appointed representatives and take action where appropriate.

As noted above, on 1 April 2014, the OFT's responsibilities for consumer credit, including enforcement of the UTCCR, transferred to the FCA and the OFT ceased to exist. Therefore, guidance issued by the FCA from 1 April 2014 in relation to the UTCCR, as well as guidance previously issued by the OFT and the Financial Services Authority (the **FSA**), may apply to the Underlying Agreements. It should be noted, however, that this guidance has changed over time and on 2 March 2015 the FCA removed certain guidance and other material on the UTCCR from its website, stating they no longer reflected the FCA's current views on unfair contract terms pending new guidance on the then Consumer Rights Bill (which was passing through the UK Parliament at the time (see "*—Consumer Rights Act 2015*")) and in light of wider legal developments. The FCA has not indicated how it considered the material it has removed to be inconsistent with its current views, but it has confirmed that it does not intend to issue further guidance on unfair contract terms. In January 2016, the FCA website was updated to refer to the CMA's guidance consultation as the latest development in guidance on unfair contract terms, and this guidance makes it clear that the CRA generally carries forward rather than changes the substance of the protections provided to consumers under earlier legislation and guidance. As such, even with the changes in regulatory structure in the UK that came into effect on 1 April 2013, in respect of the Underlying Agreements originated before the CRA Commencement Date, the guidance issued by the FSA previously remains the most specific and relevant guidance on this topic; this is likely to continue to be the case as the FCA has confirmed that it does not intend to issue further guidance on unfair contract terms.

The CMA is the UK's national competition and consumer authority, which took over the role of principal enforcer of the UTCCR from the OFT in relation to unfair contract terms on 1 April 2014. On 26 January

2015, the CMA published a guidance consultation on the unfair contract terms provisions in the Consumer Rights Bill (which has been enacted as the CRA). These guidelines, which were finalised as of 31 July 2015 (reference CMA37), are intended to support the CRA. The CRA consolidates and repeals the UTCCR and parts of the UCTA (see “—*Consumer Rights Act 2015*”). However, as noted above, despite its revocation, the UTCCR will continue to apply to contracts entered into prior to the CRA Commencement Date.

The Unfair Contract Terms Regulatory Guide (UNFCOG) in the FCA Handbook explains the FCA’s policy on how it uses its formal powers under the UTCCR, although comprehensive guidance on the UTCCR themselves is not provided. The UNFCOG was updated on 1 October 2015, following the coming into force of the CRA, but the updated version (the Unfair Contract Terms and Consumer Notices Regulatory Guide) applies only to contracts entered into on or after the CRA Commencement Date. The UNFCOG (in the form it was in on 30 September 2015) continues to apply to contracts entered into before the CRA Commencement Date.

The broad and general wording of the UTCCR, and the equivalent provisions of the CRA (see “—*Consumer Rights Act 2015*”), 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 and the CRA 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 Rights Act 2015***

The CRA reformed and consolidated consumer protection law in the UK. The CRA involves the creation of a single regime for unfair contract terms, replacing the UCTA (which essentially deals with attempts to limit liability for breach of contract) and the UTCCR. On the CRA Commencement Date, certain sections of the CRA revoked the UTCCR, amended the SGA (such that much of the SGA no longer applies to business-to-consumer contracts) and introduced a new regime for dealing with unfair contractual terms with respect to contracts entered into on or after the CRA Commencement Date. The SGA and UTCCR will continue to apply to contracts entered into prior to the CRA Commencement Date as described above.

Under Part 2 of the CRA, an unfair term of a consumer contract (a contract between a trader and a consumer) is not binding on a consumer (a term which has been revised to mean an individual acting for purposes that are wholly or mainly outside that individual’s trade, business, craft or profession). In an additional change from the old regime, from the CRA Commencement Date, an unfair consumer notice will also not be binding on a consumer, although a consumer may rely on the term or notice if the consumer chooses to do so. A term will be unfair where, contrary to the requirement of good faith, it causes significant imbalance in the parties’ rights and obligations under the contract to the detriment of the consumer. In determining whether a term is fair it is necessary to: (i) take into account the nature of the subject matter of the contract; (ii) refer to all the circumstances existing when the term was agreed; and (iii) refer to all of the other terms of the contract or any other contract on which it depends. The CRA also applies substantially the same test of fairness to consumer notices and generally refers to terms and notices interchangeably.

Schedule 2 to the CRA contains an indicative and non-exhaustive “grey list” of terms of consumer contracts that may be regarded as unfair. Three of these “grey list” terms are new, having not been covered by the UTCCR. Notably, paragraph 11 lists “a term which has the object or effect of enabling the trader to alter the terms of the contract unilaterally without a valid reason which is specified in the contract”. However, paragraph 22 provides that this does not include a term by which a supplier of financial services reserves the right to alter the rate of interest payable by or due to the consumer, or the amount of other charges for financial services without notice where there is a valid reason if the supplier is required to inform the consumer of the alteration at the earliest opportunity and the consumer is free to dissolve the contract immediately.

A consumer contract may not be assessed for fairness to the extent that (i) it specifies the main subject matter of the contract; and/or (ii) the assessment is of the appropriateness of the price payable under the contract by comparison with the goods, digital content or services supplied under it; unless one of its terms appears on the “grey list” referenced above. A trader must ensure that a written term of a consumer contract, or a consumer notice in writing, is transparent, i.e. that it is expressed in plain and intelligible language and is legible. Under the CRA, a trader must also ensure that the term is sufficiently prominent. The CMA considers this to be fully consistent with an interpretation of “the core exemption” as intended to ensure that only those “principal obligations” or price terms which are subject to the correcting forces of competition and genuine decision-making are fully assessable for fairness.

Where a term of a consumer contract is “unfair”, it will not bind the consumer. However, the remainder of the contract will, so far as practicable, continue to have effect. Where a term in a consumer contract is susceptible of different meanings, the meaning most favourable to the consumer will prevail. In a shift from the old regime, under the CRA it is the duty of the court to consider the fairness of any given term. This can be done even where neither of the parties to proceedings has explicitly raised the issue of fairness.

The CRA also provides that business-to-consumer conditional sale agreements contain implied terms as to title, description and quality or fitness of the goods. The CRA further provides that (a) the implied term as to title and (b) the implied terms as to description and quality or fitness cannot be excluded by any contract term. This is broadly the same as the position for business-to-business contracts under the SGA outlined above (see “—*Sale of Goods Act 1979*”).

The provisions in the CRA governing unfair contractual terms and implied terms as to title, description and quality or fitness of the goods apply in respect of contracts entered into on or after the CRA Commencement Date. As stated above, the SGA, UCTA and UTCCR will continue to apply to contracts entered into prior to the CRA Commencement Date. This new regime does not seem to be significantly different from the regime under the UTCCR, UCTA or the SGA. However, this area of law is rapidly developing and new regulatory guidance and case law as a result of this new legislation can be expected. No assurance can be given that any changes in legislation, guidance or case law on unfair terms or implied terms as to title, description and quality or fitness of the goods 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, aggressive and misleading 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 amended the UTR (with effect from 1 October 2014) so as to give consumers a right to redress for certain prohibited practices, including a right to unwind agreements.

The UTR require the CMA (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 (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, guidance in respect of the UTR or any changes to 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.

### ***Financial Services Act 2012***

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. Pursuant to changes made to FSMA by the Financial Services Act 2012: (a) carrying on

certain credit-related regulated activities (including 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 the power to render unenforceable contracts made in contravention of its rules on cost and duration of credit agreements or in contravention of its product intervention rules. This Act 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.

### ***General***

On 18 April 2017, the FCA announced in its 2017/18 Business Plan that it intends to conduct an exploratory review of the motor finance industry as a result of concerns that there may be a lack of transparency, potential conflicts of interest and irresponsible lending in the industry. No assurance can be given that changes will not be made to the regulatory regime 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, whether arising from the FCA review into the motor finance industry or otherwise. Any such action, in particular, but not limited to, action which restricts the Seller's business or imposes additional compliance or mediation costs, 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.

### ***Securitisation Company Regulations***

The Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296) (as amended) (the **TSC Regulations**) deal with the corporation tax position of securitisation companies with effect for accounting periods beginning on or after 1 January 2007. If the TSC Regulations apply to a company, then, broadly, it will be subject to corporation tax on the cash profit retained by it for each accounting period in accordance with the transaction documents (rather than by reference to its accounts). Based on advice received, the Issuer expects to be taxed under the special tax regime for which provision is made by the TSC Regulations. However, should the Issuer not fall within this special tax regime (or subsequently cease to fall into it), then profits or losses could arise in the Issuer which could have tax effects not contemplated in the cashflows of the Transaction and as such could adversely affect the tax treatment of the Issuer and consequently the Issuer's ability to make payments on the Notes.

### ***No gross-up for taxes***

As provided in Condition 10 (*Taxes*), if withholding or deduction for or on account of any current or future taxes, levies or governmental charges, regardless of their nature (collectively, **taxes**), are imposed, levied or collected under any applicable system of law or in any country which claims fiscal jurisdiction or by, or for the account of, any political subdivision thereof or government agency therein authorised to levy taxes, and such withholding or deduction is required by law, the Issuer or the applicable Paying Agent (as the case may be) will make the required withholding or deduction of such taxes and shall account for the deduction or withholding of such taxes to the competent government agencies, and none of the Issuer, any Paying Agent or any other person will be obliged to pay any additional amounts to Noteholders in respect of such withholding or deduction. The Issuer and Paying Agents are also permitted to withhold or deduct any amounts required pursuant to FATCA, as described in more detail under "*Foreign Account Tax Compliance Act*", and none of the Issuer, any Paying Agent or any other person will be obliged to pay any additional or further amounts as a result of any such withholding or deduction.

See "*United Kingdom Taxation*" and "*United States Taxation*" for a summary of the UK and US withholding tax treatment as at the date hereof of the principal and interest paid in respect of the Notes.

### *E.U. financial transaction 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 (although Estonia has since stated that it will not participate), Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia). If the Commission's proposal were to be 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 could apply in certain circumstances 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 proposal and the conditions for a charge to arise are satisfied. 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 expected to be exempt.

However, the FTT proposal remains subject to negotiation between the participating Member States. 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.

### *Regulatory initiatives may have an adverse impact on the regulatory treatment 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 position of certain investors in securitisation exposures and/or on 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 Arranger, the Managers nor any other party to the Transaction Documents nor any of their affiliates makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory treatment of their investment in the Notes on the Closing Date or at any time in the future.

In particular, investors should note that the Basel Committee on Banking Supervision (**BCBS**) has approved significant changes to the Basel regulatory capital and liquidity framework (such changes being commonly referred to as **Basel III**), including certain revisions to the securitisation framework. 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 (**LCR**) and the Net Stable Funding Ratio (**NSFR**)). In the UK, the PRA proposed to set the LCR at 80 per cent. from 1 October 2015, rising to 90 per cent. on 1 January 2017 and reaching 100 per cent.

on 1 January 2018. The NSFR is expected to apply from 1 January 2018, although the decision on how and when to implement it has not yet been made.

BCBS member countries agreed to implement Basel III from 1 January 2013, subject to transitional and phase-in arrangements for certain requirements (e.g. the LCR requirements refer to implementation from the start of 2015, with full implementation by January 2019, and the NSFR requirements refer to implementation from January 2018). As implementation of any changes to the Basel framework (including those made via Basel III) requires national legislation, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of asset-backed securities (e.g. as LCR eligible assets or not), may be subject to some level of national variation. The Basel III reforms have been implemented in the EEA through the Capital Requirements Regulation and the Capital Requirements Directive (together, **CRD IV**). CRD IV became effective in the UK and other E.U. member states on 1 January 2014. CRD IV permits a transitional period for certain of the enhanced capital requirements and certain other measures which are not expected to be fully implemented until 2019. It should also be noted that changes to regulatory capital requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II Regulation framework in Europe. Implementation of the Basel III reforms (to the extent not already implemented in the relevant jurisdictions) and/or any further changes put forward by the BCBS, European or national regulators in relation to such framework may have an impact on incentives to hold the Notes for investors that are subject to requirements that follow such framework and, as a result, they 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 for and effect on them of any changes to the Basel III framework and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

In addition, investors should be aware of the E.U. risk retention and due diligence requirements which currently apply, or are expected to apply in the future, in respect of various types of E.U. regulated investors including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings, UCITS funds and institutions for occupational retirement provision. Among 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. In particular, in the context of the requirements which apply in respect of E.U. regulated credit institution investors, investment firms and authorised alternative investment fund managers, coming legislative developments may result in changes to the corresponding interpretation materials which apply in respect of such requirements. No assurance can be provided that any such changes will not affect the compliance position of previously issued transactions and/or the requirements applying to relevant investors in general.

The risk retention and due diligence requirements described above apply, or are expected to apply, in respect of 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 Administrator on the Issuer's behalf), please see the statements set out in the sections entitled "*E.U. 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 requirements

and none of the Issuer, the Arranger, the Managers or any other Transaction Party makes any representation that the information described above is sufficient in all circumstances for such purposes.

It should be noted that the European authorities have reached political agreement on two new regulations related to securitisation. The regulations are in the process of being formally adopted and are intended to apply in general from 1 January 2019. Amongst other things, the regulations include provisions intended to implement the revised securitisation framework developed by BCBS (with adjustments) and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain E.U. regulated investors. While the final texts are not yet available, there will be material differences between the coming new requirements and the current requirements including with respect to the risk retention and due diligence requirements described above. It is expected that securitisations established prior to the application date of 1 January 2019 and that do not involve the issuance of securities (or otherwise involve the creation of a new securitisation position) on or after that date will remain subject to the current risk retention and due diligence requirements and will not be subject to the revised requirements in general.

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. The matters 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.

#### ***Regulatory changes under the Dodd-Frank Act may affect the liquidity of the Notes***

Legislation and regulations adopted by the United States federal government following the financial crisis continue to create uncertainty in the credit and other financial markets. These actions include, but are not limited to, the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the **Dodd-Frank Act**), which imposed a new regulatory framework over the U.S. financial services industry and the consumer credit markets in general, and the adoption of its related regulations. In addition, there is also uncertainty regarding the nature and timing of additional regulations that are required under the Dodd-Frank Act but have yet to be promulgated. Given the broad scope and sweeping nature of these changes, significant unresolved questions regarding the proper application of the regulations that have been adopted and the fact that final implementing rules and regulations have not yet in certain cases been enacted or come into effect, the potential impact of these actions on the Issuer, any of the Notes or any owners of interests in the Notes is unknown, and no assurance can be made that the impact of such changes would not have a material adverse effect on the prospects of the Issuer or the value or marketability of the Notes. If existing transactions are not exempted from any such new rules or regulations, the costs of compliance with such rules and regulations could have a material adverse effect on the Issuer and the Noteholders.

Pursuant to the Dodd-Frank Act, regulators in the United States have promulgated or are expected to promulgate a range of new regulatory requirements that may affect the pricing, terms, funding and compliance costs associated with swap transactions and the availability of such swap transactions. One or both of the Swap Agreements and/or the availability and terms of any replacement Swap Agreement may be affected by (i) requirements for central clearing with a derivatives clearinghouse organisation; (ii) initial or variation margin requirements of clearing organisations or initial or variation margin requirements with respect to uncleared swaps; and (iii) swap reporting and recordkeeping obligations, and other matters. These new requirements may significantly increase the cost to the Issuer of entering into swap transactions, have unforeseen legal consequences on the Issuer or have other material adverse effects on the Issuer or the Noteholders.

Furthermore, regulations requiring the posting of variation margin on uncleared swaps entered into by entities such as the Issuer went into effect in the United States on 1 March 2017. The application of these regulations to the Swap Agreements or any replacement Swap Agreement could have a material adverse effect on the Issuer's ability to hedge its interest and currency rate exposure, or on the cost of such hedging.



The Dodd-Frank Act significantly expands the coverage and scope of regulations that limit affiliate transactions within a banking organisation, including coverage of the credit exposure on derivatives transactions, repurchase and reverse repurchase agreements and securities borrowing and lending transactions. The final regulations implementing Section 619 of the Dodd-Frank Act (commonly referred to as the **Volcker Rule**) generally prohibit “banking entities” (broadly defined to include U.S. banks, bank holding companies and foreign banking organisations, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in, or sponsoring, a “covered fund”, and (iii) entering into certain relationships with such funds, subject to certain exceptions and exclusions. See “*Volcker Rule*” on the cover of this Prospectus for information on the Issuer’s status under the Volcker Rule. Any prospective investor in any Notes, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding the effect of the Volcker Rule.

On 21 October 2014, regulators in the United States adopted a final rule implementing Section 15G of the Exchange Act (the **U.S. Credit Risk Retention Requirements**). The U.S. Credit Risk Retention Requirements generally require “securitizers” to retain not less than 5 per cent. of the credit risk of the loans securitised and generally prohibit a securitizer from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitizer is required to retain. As described under “*U.S. Credit Risk Retention Requirements and Regulatory Considerations*”, the Retention Holder will hold the required credit risk by holding a minimum of 5 per cent. in respect of each Class of the Notes. If the Retention Holder fails to retain credit risk in accordance with the U.S. Credit Risk Retention Requirements, the value and liquidity of the Notes may be adversely impacted.

In addition, on 27 August 2014, the Securities and Exchange Commission (the **SEC**) issued final rules applicable to rated asset-backed securities, which became effective in June 2015, that require (i) issuers or underwriters of rated asset-backed securities to furnish a Form ABS-15G that contains the findings and conclusions of reports of third-party due diligence providers, (ii) third-party due diligence providers to provide a form with certain information to nationally recognized statistical rating organizations regarding their due diligence services, findings and conclusions, and a certification as to their review and (iii) nationally recognized statistical rating organizations to make publicly available the forms provided by any third-party due diligence providers. As the Transaction involves the issue of rated asset-backed securities, the Issuer, the Arranger and the Managers are subject to the SEC final rules. See “*U.S. Credit Risk Retention Requirements and Regulatory Considerations—Rule 15Ga-2*”.

Regulators in the United States may promulgate further regulatory changes, and no assurance can be given as to the impact of such changes on the Notes.

Prospective investors should make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. The matters 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.

### ***Risks relating to the Banking Act 2009***

Under the UK Banking Act 2009 (as amended) (the **Banking Act**), substantial powers are granted to HM Treasury, the Bank of England acting as the Prudential Regulation Authority through its Prudential Regulation Committee (the **PRA**), the FCA and the Bank of England (together the **UK Authorities**) as part of a special resolution regime (the **SRR**). These powers enable the UK Authorities to deal with the failure (or likely failure) of certain UK authorised and established entities including deposit-taking institutions and investment firms and to take certain resolution actions in respect of UK branches of third country institutions. Relevant transaction parties for these purposes include the Account Bank, the Transaction Account Bank and each Swap Counterparty. The tools available under the Banking Act may be used in respect of relevant institutions and, in certain circumstances, their UK established banking group companies (such as the Seller, as a wholly owned subsidiary of Santander UK plc). The tools or so-called stabilisation options that may be applied by the

UK Authorities include: (i) private sector transfer of all or part of the business of the relevant entity; (ii) transfer of all or part of the business of the relevant entity to a “bridge bank” established by the Bank of England; (iii) transfer to an asset management vehicle; (iv) temporary public ownership (nationalisation) of the relevant entity; and (v) a bail-in tool which permits the Bank of England to (a) cancel, modify or convert the form of a liability owed by a relevant entity or provide that a contract under which, amongst others, a relevant entity has a liability is to have effect as if a specified right had been exercised under it or (b) transfer securities issued by a relevant entity to a bail-in administrator.

If an instrument or order were to be made under the Banking Act 2009 in respect of a relevant entity as described above, such instrument or order may (among other things) affect the ability of such entities to satisfy their obligations under the Transaction Documents and/or result in the cancellation, modification or conversion of certain unsecured liabilities of such entity under the Transaction Documents or in other modifications to such documents. In particular, modifications may be made pursuant to powers permitting (i) certain trust arrangements to be removed or modified, (ii) contractual arrangements between relevant entities and other parties to be removed, modified or created where considered necessary to enable a transferee in the context of a property or share transfer to operate the transferred business effectively and (iii) in connection with the modification of an unsecured liability through use of the bail-in tool, the discharge of a relevant entity from further performance of its obligations under a contract. In addition, subject to certain conditions, powers would apply to require a relevant instrument or order (and related events) to be disregarded in determining whether certain widely defined “default events” have occurred (which events may include trigger events included in the Transaction Documents in respect of the relevant entity, including termination events, and (in the case of the Seller) trigger events in respect of perfection of legal title to the Purchased Receivables). As a result, the making of an instrument or order in respect of a relevant entity as described above may affect the ability of the Issuer to meet its obligations in respect of the Notes and may result in a change in the contractual terms applicable to the Notes without the consent of the Noteholders.

As noted above, the stabilisation options and powers that apply to banks under the SRR also apply to “banking group companies”, provided certain conditions are met. If the Issuer were regarded to be a banking group company and no exclusion applies, it would be possible for the relevant authorities to exercise their powers in relation to the Issuer, which could result in reduced amounts being available to make payments in respect of the Notes and/or in the modification, cancellation or conversion of any unsecured portion of the liability of the Issuer under the Notes at the relevant time. However, in this regard, it should be noted that HM Treasury has provided an exclusion for certain securitisation companies, which is expected to apply to the Issuer.

At present, the UK Authorities have not made an instrument or order under the Banking Act in respect of any of the entities referred to above and there has been no indication that any such instrument or order will be made, but there can be no assurance that this will not change and/or that Noteholders will not be adversely affected by any such instrument or order if made. While there is provision for compensation in certain circumstances under the Act, there can be no assurance that Noteholders would recover compensation promptly and equal to any loss actually incurred.

### ***Fixed charges may take effect under English law as floating charges***

The law in England and Wales relating to characterisation of fixed charges is unsettled. The fixed charges purported to be granted by the Issuer may take effect under English law as floating charges only, if, for example, it is determined that the Trustee does not exert sufficient control over the Issuer’s rights, assets, property interest and claims subject to the Security (although it should be noted that there is no equivalent concept of recharacterisation of fixed security as floating charges 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 Trustee in respect of the floating charge assets.

The interest of the Trustee in property and assets over which there is a floating charge will rank behind the expenses of any administration or liquidation and the claims of certain preferential creditors on enforcement of the Security. Section 176A of the Insolvency Act 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 or liquidation, 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***

On 6 April 2008, a provision in the Insolvency Act came into force which effectively reversed by statute the House of Lords' decision in the case of *Re Leyland Daf* in 2004. Accordingly, the costs and expenses (including certain tax charges) of a liquidation will be payable out of floating charge assets in priority to the claims of the floating chargeholder. In respect of certain litigation expenses of the liquidator only, this is subject to approval of the amount of such expenses by the floating chargeholder (or, in certain circumstances, the court) pursuant to provisions set out in the Insolvency Rules 2016. As a result of the changes described above, upon the enforcement of the floating charge security granted by the Issuer, floating charge realisations which would otherwise be available to satisfy the claims of the Secured Creditors under the Deed of Charge will be reduced by at least a significant proportion of any liquidation expenses. There can be no assurance that the Noteholders will not be adversely affected by such a reduction in floating charge realisations.

## E.U. RISK RETENTION REQUIREMENTS

### General

Please refer to the section entitled “*Risk Factors—Regulatory initiatives may have an adverse impact on the regulatory treatment of the Notes*” for further information on the implications of the E.U. Risk Retention Requirements for investors.

### Retention statement

The Retention Holder, in its capacity as originator, will retain a material net economic interest (the **Retained Interest**) of not less than 5 per cent. in the securitisation in accordance with the E.U. Risk Retention Requirements. As at the Closing Date, such interest will comprise of the nominal value of each Class of Notes sold or transferred to investors, as required by the text of each of the E.U. Risk Retention Requirements. The Retention Holder will meet this obligation by retaining not less than 5 per cent. of the nominal value of each Class of Notes sold or transferred to investors. Any change in the manner in which the interest is held may only be made in accordance with the applicable laws and regulations and will be notified to Noteholders in accordance with the Conditions.

As to the information to be 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 Reports. In such Monthly Reports, 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 Retention Holder.

### Investors to assess compliance

Each prospective investor is required to independently assess and determine the sufficiency of the information or arrangement 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 the Solvency II Regulation (including Article 254) and any corresponding national measures which may be relevant and none of the Issuer, the Arranger, the Managers or any other Transaction Party makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes.

## U.S. CREDIT RISK RETENTION REQUIREMENTS AND REGULATORY CONSIDERATIONS

### General

Please refer to the section entitled “*Risk Factors—Regulatory changes under the Dodd-Frank Act may affect the liquidity of the Notes*” for further information on the implications of the U.S. Credit Risk Retention Requirements.

### U.S. Credit Risk Retention Requirements

The Retention Holder, acting as Sponsor, is required under Section 15G of the Exchange Act (the **U.S. Credit Risk Retention Requirements**), to ensure that it (or a majority-owned affiliate of the Retention Holder) acquires and retains an economic interest equal to not less than 5 per cent. of the credit risk of the assets collateralising the issuance of ‘asset-backed’ securities. The Retention Holder, as Sponsor, intends to satisfy the U.S. Credit Risk Retention Requirements by acquiring and retaining, either directly or through a majority-owned affiliate (as defined in the U.S. Credit Risk Retention Requirements), an eligible vertical interest (**EVI**) in an amount equal to not less than 5 per cent. of the nominal value of each Class of Notes issued by the Issuer on the Closing Date (the **Risk Retained Securities**).

The Retention Holder is obliged by the U.S. Credit Risk Retention Requirements to acquire and retain, either directly or through a majority-owned affiliate, the EVI from the Closing Date until the latest of: (a) the date on which the aggregate unpaid principal balance of the Purchased Receivables has been reduced to 33 per cent. of the aggregate unpaid principal balance of the Purchased Receivables as of the Closing Date; (b) the date on which the aggregate unpaid principal obligations under the Notes has been reduced to 33 per cent. of the aggregate unpaid principal obligations of the Notes issued on the Closing Date; or (c) the second anniversary of the Closing Date (the **Sunset Date**). In order to satisfy this obligation, the Retention Holder will retain, either directly or through a majority-owned affiliate, the Risk Retained Securities until the Sunset Date.

Until the Sunset Date, the U.S. Credit Risk Retention Requirements impose limitations on the ability of the Retention Holder (or its majority-owned affiliate) during such period to dispose of or hedge its risk with respect to the EVI. Prior to the Sunset Date, any financing obtained by the Retention Holder (or its majority-owned affiliate) during such period to purchase or carry the EVI that is secured by the EVI must provide for full recourse to the Retention Holder (or its majority-owned affiliate) and otherwise comply with the U.S. Credit Risk Retention Requirements. In addition, prior to the Sunset Date, the Retention Holder and its majority-owned affiliates may not engage in any hedging transactions if payments on the hedge instrument are materially related to the EVI and the hedge position would limit the financial exposure of the Retention Holder (or its majority-owned affiliates) to the EVI. The retention, financing and hedging limitations set forth in the U.S. Credit Risk Retention Requirements will not apply to any Notes held by the Retention Holder that do not constitute part of the EVI.

### Rule 15Ga-2

On 27 August 2014, the SEC approved rules and issued a release regarding third-party due diligence reports. The release relates primarily to two rules, Rule 15Ga-2 and Rule 17g-10, each under the Exchange Act, which became effective on 15 June 2015. Rule 15Ga-2 requires any issuer or underwriter of asset-backed securities rated by a nationally recognized statistical rating organisation to furnish a form (a **Form ABS-15G Report**) via the SEC’s EDGAR database describing the findings and conclusions of any third-party due diligence report obtained by the issuer or underwriter at least five business days prior to the first sale of the asset-backed securities. The filing requirements apply to both publicly registered offerings and unregistered securitisations of assets offered within the United States such as those relying on Rule 144A. A third party due diligence report is any report containing findings and conclusions relating to due diligence services, which are defined as a review of pool assets for the purposes of issuing findings on: (1) the accuracy of the asset data; (2) determining whether the assets conform to stated underwriting standards; (3) asset value(s); (4) legal compliance by the originator; and (5) any other factor material to the likelihood that the issuer will pay

interest and principal as required. These due diligence services are routinely provided by third-party due diligence vendors in asset-backed securities structured transactions and affect their credit ratings.

A Form ABS-15G Report containing diligence findings and conclusions with respect to a third party due diligence report prepared for the purpose of the transaction contemplated by this Prospectus has been prepared and furnished by the Seller on EDGAR pursuant to Rule 15Ga-2 and is publicly available. This Form ABS-15G Report is not, by this reference or otherwise, incorporated into this Prospectus and should not be relied upon by any prospective investor as a basis for making a decision to invest in the Notes.

Prospective investors should rely exclusively on this Prospectus as a basis for making a decision to invest in the Notes.

## 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 credits (please see the information set out under "*Eligibility Criteria*" and "*Overview of the Transaction Documents—Servicing Agreement*");
- (b) systems in place to administer and monitor the various credit-risk bearing portfolios and exposures, and the Portfolio will be serviced in line with the usual servicing procedures of the Seller (please see the information set out under "*Overview of the Transaction Documents—Servicing Agreement*");
- (c) adequate diversification of credit portfolios given the Seller's target market and overall credit strategy (in relation to the Portfolio, please see the information set out under "*Information Tables Regarding the Portfolio*"); and
- (d) policies and procedures in relation to risk tolerance and provisioning (please see the information set out under "*Overview of the Transaction Documents—Servicing Agreement*" and "*Eligibility Criteria*").

**TRIGGERS TABLES**

**Rating Triggers Table**

| <b>Required Ratings:</b>   | <b>Contractual requirements if the ratings triggers are breached include the following:</b>  |
|--|--|
| <b>Class A1 Swap Counterparty</b>  |  |
| <b>Class A1 Swap Counterparty Initial Required Ratings</b>   |  |
| <p><b>S&amp;P:</b> Subject to the provisions below applying on certain downgrades of the Class A1 Notes, for so long as Replacement Option 1 or Replacement Option 2 applies, either (i) a short-term, unsecured and unsubordinated debt obligations rating of A-1 or above by S&amp;P and a long-term, unsecured and unsubordinated debt obligations rating of A or above by S&amp;P, or (ii) a long-term, unsecured and unsubordinated debt obligations rating of A+ or above by S&amp;P (the <b>Initial S&amp;P Required Ratings</b>).</p> <p>The S&amp;P Replacement Option that applies will determine the Initial S&amp;P Required Rating of the Class A1 Swap Counterparty. The Class A1 Swap Agreement includes “Replacement Option 1”, and “Replacement Option 2” (the <b>S&amp;P Replacement Options</b>). Replacement Option 1 will apply on and from the date of the Class A1 Swap Agreement, except that the Class A1 Swap Counterparty may at any time elect for a different S&amp;P Replacement Option to apply (or for Replacement Option 1 to apply if a different S&amp;P Replacement Option applies at such time) on and from a particular date, provided certain conditions, as set out in the Class A1 Swap Agreement, have been met.</p> | <p><b>S&amp;P:</b> If the Class A1 Swap Counterparty (or its successor or any relevant guarantor) does not have the Class A1 Swap Initial S&amp;P Required Ratings, the Class A1 Swap Counterparty must, at its own cost and expense, if required in accordance with the terms of the applicable Credit Support Annex, post collateral on the expiry of 10 business days (or 20 business days if, on or before the 10th business day, a collateral proposal is submitted to S&amp;P and S&amp;P has confirmed that it will not take any negative rating action as a result of such proposal) to the Class A1 Swap Collateral Account and/or to any other account for this purpose or (i) transfer its rights and obligations under the Class A1 Swap Agreement to an appropriately rated replacement third party, (ii) obtain an appropriately rated third party guarantee of its obligations under the Class A1 Swap Agreement or (iii) take such other action (which may, for the avoidance of doubt, include taking no action) as is required to maintain, or restore, S&amp;P’s rating of the Class A1 Notes.</p> <p>A failure by the Class A1 Swap Counterparty to take such steps will, in certain circumstances, allow the Issuer to terminate the Class A1 Swap.</p> |
| <p><b>Moody’s:</b> (1) A long-term counterparty risk assessment of “A3(cr)” or above by Moody’s, or (2) a long-term, unsecured and unsubordinated debt or counterparty obligations rating of A3 or above by Moody’s (the <b>Initial Moody’s Required Rating</b>).</p>  | <p><b>Moody’s:</b> If the Class A1 Swap Counterparty (or its successor or any relevant guarantor) does not have the Initial Moody’s Required Rating, the Class A1 Swap Counterparty must, at its own cost and expense, if required in accordance with the terms of the applicable Credit Support Annex, post collateral on the expiry of 30 business days from the loss of the Initial Moody’s Required Rating to the Class A1 Swap Collateral Account and/or to any other account for this purpose.</p>   |
| <p><b>Provisions Applying on Certain Downgrades by S&amp;P of the Class A1 Notes:</b> If the rating of the Class A1 Notes is downgraded by S&amp;P other than as a result of (i) the failure of the Class A1 Swap Counterparty to take any action required of the Class A1 Swap Counterparty under the Class A1 Swap Agreement, or (ii) the downgrade or withdrawal of the rating of the Class A1 Swap Counterparty, then the Initial S&amp;P Required</p>   |  |



|  |   |
|--|---|
| <b>Required Ratings:</b>   | <b>Contractual requirements if the ratings triggers are breached include the following:</b>   |
| <p>Ratings would be lowered to the level envisaged in S&amp;P's "Counterparty Risk Framework Methodology and Assumptions" dated 24 June 2016 as being the minimum rating required to support the then current rating of the Class A1 Notes.</p> <p>If the rating of the Class A1 Notes is upgraded or reinstated (or would be but for the reduction in the Initial S&amp;P Required Ratings), then the Initial S&amp;P Required Ratings will be increased to the level envisaged to support such higher rating in accordance with the provisions of the Class A1 Swap Agreement.</p>   |   |
| <b>Class A1 Swap Counterparty Subsequent Required Ratings</b>  |   |
| <p><b>S&amp;P:</b> Subject to the provisions below applying on certain downgrades of the Class A1 Notes, (A) for so long as Replacement Option 1 applies, the long-term, unsecured and unsubordinated debt obligations are rated at least BBB+ (or its equivalent) by S&amp;P, and (B) for so long as Replacement Option 2 applies, the long-term, unsecured and unsubordinated debt obligations are rated at least A- (or its equivalent) by S&amp;P (the <b>Subsequent S&amp;P Required Ratings</b>).</p> <p>The S&amp;P Replacement Option that applies will determine the Subsequent S&amp;P Required Rating of the Class A1 Swap Counterparty.</p>  | <p><b>S&amp;P:</b> If the Class A1 Swap Counterparty (or its successor or any relevant guarantor) does not have the Subsequent S&amp;P Required Ratings, the Class A1 Swap Counterparty, at its own cost and expense, must post additional collateral on the expiry of 10 business days (or 20 business days if a collateral proposal is submitted to S&amp;P and S&amp;P has confirmed that it will not take any negative rating action as a result of such proposal) and must, within 60 calendar days, either (i) transfer its rights and obligations under the Class A1 Swap Agreement to an appropriately rated replacement third party, (ii) obtain an appropriately rated third party guarantee of its obligations under the Class A1 Swap Agreement, or (iii) take such other action (which may, for the avoidance of doubt, include taking no action) as is required to maintain, or restore, S&amp;P's rating of the Class A1 Notes.</p> <p>A failure by the Class A1 Swap Counterparty to take such steps will, in certain circumstances, allow the Issuer to terminate the Class A1 Swap.</p> |
| <p><b>Moody's:</b> (1) A long-term counterparty risk assessment of "Baa1(cr)" or above by Moody's, or (2) a long-term, unsecured and unsubordinated debt or counterparty obligations rating of Baa1 or above by Moody's (the <b>Subsequent Moody's Required Rating</b>).</p>   | <p><b>Moody's:</b> If the Class A1 Swap Counterparty (or its successor or any relevant guarantor) does not have the Subsequent Moody's Required Rating, the Class A1 Swap Counterparty must, at its own cost and expense, use commercially reasonable efforts to, as soon as reasonably practicable, transfer its rights and obligations under the Class A1 Swap Agreement to an appropriately rated replacement third party or obtain an appropriately rated third party guarantee of its obligations under the Class A1 Swap Agreement.</p>   |
| <p><b>Provisions Applying on Certain Downgrades by S&amp;P of the Class A1 Notes:</b> If the rating of the Class A1 Notes is downgraded by S&amp;P other than as a result of (i) the failure of the Class A1 Swap Counterparty to take any action required of the Class A1 Swap Counterparty under the Class A1 Swap Agreement, or (ii) the downgrade or withdrawal of the rating of the Class A1 Swap Counterparty, then the Subsequent S&amp;P Required Ratings would be lowered to the level envisaged in S&amp;P's "Counterparty Risk Framework Methodology and Assumptions" dated 24 June 2016 as being the minimum rating required to support the then current rating of the Class A1 Notes.</p> |   |

| <b>Required Ratings:</b>  | <b>Contractual requirements if the ratings triggers are breached include the following:</b>   |
|---|---|
| <p>If the rating of the Class A1 Notes is upgraded or reinstated (or would be but for the reduction in the Subsequent S&amp;P Required Ratings), then the Subsequent S&amp;P Required Ratings will be increased to the level envisaged to support such higher rating in accordance with the provisions of the Class A1 Swap Agreement.</p>  |   |
| <p><b>Class A Swap Counterparty</b></p>   |   |
| <p><b>Class A Swap Counterparty Initial Required Ratings</b></p>  |   |
| <p><b>S&amp;P:</b> Subject to the provisions below applying on certain downgrades of the Class A Notes, the Initial S&amp;P Required Ratings.</p>   | <p><b>S&amp;P:</b> If the Class A Swap Counterparty (or its successor or any relevant guarantor) does not have the Initial S&amp;P Required Ratings, the Class A Swap Counterparty must, at its own cost and expense, if required in accordance with the terms of the applicable Credit Support Annex, post collateral on the expiry of 10 business days (or 20 business days if, on or before the 10th business day, a collateral proposal is submitted to S&amp;P and S&amp;P has confirmed that it will not take any negative rating action as a result of such proposal) to the Class A Swap Collateral Account and/or to any other account for this purpose or (i) transfer its rights and obligations under the Class A Swap Agreement to an appropriately rated replacement third party, (ii) obtain an appropriately rated third party guarantee of its obligations under the Class A Swap Agreement or (iii) take such other action (which may, for the avoidance of doubt, include taking no action) as is required to maintain, or restore, S&amp;P's rating of the highest rated of the Class A Notes.</p> <p>A failure by the Class A Swap Counterparty to take such steps will, in certain circumstances, allow the Issuer to terminate the Class A Swap.</p> |
| <p><b>Moody's:</b> The Initial Moody's Required Rating.</p>   | <p><b>Moody's:</b> If the Class A Swap Counterparty (or its successor or any relevant guarantor) does not have the Initial Moody's Required Rating, such Class A Swap Counterparty must, at its own cost and expense, if required in accordance with the terms of the applicable Credit Support Annex, post collateral on the expiry of 30 business days from the loss of the Initial Moody's Required Rating to the Class A Swap Collateral Account and/or to any other account for this purpose.</p>  |
| <p><b>Provisions Applying on Certain Downgrades by S&amp;P of the Class A Notes:</b> If the rating of the highest rated of the Class A Notes is downgraded by S&amp;P other than as a result of (i) the failure of the Class A Swap Counterparty to take any action required of the Class A Swap Counterparty under the Class A Swap Agreement, or (ii) the downgrade or withdrawal of the rating of the Class A Swap Counterparty, then the Initial S&amp;P Required Ratings would be lowered to the level envisaged in S&amp;P's "Counterparty Risk Framework Methodology and Assumptions" dated 24 June 2016 as being the minimum rating required to</p> |   |

| <b>Required Ratings:</b>  | <b>Contractual requirements if the ratings triggers are breached include the following:</b>   |
|---|---|
| <p>support the then current rating of the highest rated of the Class A Notes.</p> <p>If the rating of the highest rated of the Class A Notes is upgraded or reinstated (or would be but for the reduction in the Initial S&amp;P Required Ratings, then the Initial S&amp;P Required Ratings will be increased to the level envisaged to support such higher rating in accordance with the provisions of the Class A Swap Agreement.</p>  |   |
| <p><b>Class A Swap Counterparty Subsequent Required Ratings</b></p>   |   |
| <p><b>S&amp;P:</b> Subject to the provisions below applying on certain downgrades of the Class A Notes, the Subsequent S&amp;P Required Ratings.</p> <p>The S&amp;P Replacement Option that applies will determine the Subsequent S&amp;P Required Rating of the Class A Swap Counterparty. The Class A Swap Agreement includes each S&amp;P Replacement Option. Replacement Option 1 will apply on and from the date of the Class A Swap Agreement, except that the Class A Swap Counterparty may at any time elect for a different S&amp;P Replacement Option to apply (or for Replacement Option 1 to apply if a different S&amp;P Replacement Option applies at such time) on and from a particular date, provided certain conditions, as set out in the Class A Swap Agreement, have been met.</p>   | <p><b>S&amp;P:</b> If the Class A Swap Counterparty (or its successor or any relevant guarantor) does not have the Subsequent S&amp;P Required Ratings, the Class A Swap Counterparty, at its own cost and expense, must post additional collateral on the expiry of 10 business days (or 20 business days if a collateral proposal is submitted to S&amp;P and S&amp;P has confirmed that it will not take any negative rating action as a result of such proposal) and must, within 60 calendar days, either (i) transfer its rights and obligations under the Class A Swap Agreement to an appropriately rated replacement third party, (ii) obtain an appropriately rated third party guarantee of its obligations under the Class A Swap Agreement, or (iii) take such other action (which may, for the avoidance of doubt, include taking no action) as is required to maintain, or restore, S&amp;P's rating of the highest rated of the Class A Notes.</p> <p>A failure by the Class A Swap Counterparty to take such steps will, in certain circumstances, allow the Issuer to terminate the Class A Swap.</p> |
| <p><b>Moody's:</b> The Subsequent Moody's Required Rating.</p>  | <p><b>Moody's:</b> If the Class A Swap Counterparty (or its successor or any relevant guarantor) does not have the Subsequent Moody's Required Rating, the Class A Swap Counterparty must, at its own cost and expense, use commercially reasonable efforts to, as soon as reasonably practicable, transfer its rights and obligations under the Class A Swap Agreement to an appropriately rated replacement third party or obtain an appropriately rated third party guarantee of its obligations under the Class A Swap Agreement.</p>   |
| <p><b>Provisions Applying on Certain Downgrades by S&amp;P of the Class A Notes:</b> If the rating of the highest rated of the Class A Notes is downgraded by S&amp;P other than as a result of (i) the failure of the Class A Swap Counterparty to take any action required of the Class A Swap Counterparty under the Class A Swap Agreement, or (ii) the downgrade or withdrawal of the rating of the Class A Swap Counterparty, then the Subsequent S&amp;P Required Ratings would be lowered to the level envisaged in S&amp;P's "Counterparty Risk Framework Methodology and Assumptions" dated 24 June 2016 as being the minimum rating required to support the then current rating of the highest rated of the Class A Notes.</p> <p>If the rating of the highest rated of the Class A Notes is upgraded or reinstated (or would be but for the</p> |   |

| <b>Required Ratings:</b>  | <b>Contractual requirements if the ratings triggers are breached include the following:</b>  |
|---|--|
| reduction in the Subsequent S&P Required Ratings, then the Subsequent S&P Required Ratings will be increased to the level envisaged to support such higher rating in accordance with the provisions of the Class A Swap Agreement.  |  |
| <b>Account Bank</b>   |  |
| If at any time the Account Bank is assigned a rating of less than: (i) in the case of S&P, either (a) a long-term rating of A and a short-term rating of A-1 or (b) if the Account Bank does not have a long-term rating from S&P, a short-term rating of A-1 (or such other ratings as may be agreed with, or are consistent, in each case, with the then published criteria of, S&P), or (ii) in the case of Moody's, a short-term deposit rating of P-1 (or such other ratings as may be agreed with, or are consistent with the then published criteria of, Moody's) (the <b>Account Bank Required Ratings</b> ) or if all of the ratings from either such Rating Agency have been withdrawn.                                     | The Account Bank (on behalf and at the cost of the Issuer) will (A) be required within 31 calendar days to transfer the Sterling Account, any cash Swap Collateral Accounts and the Class A1 Swap Reserve Account to an alternative bank consented to by the Trustee (which consent shall not be unreasonably withheld or delayed) with at least the Account Bank Required Ratings (at no cost to the Cash Administrator, the Account Bank or the Trustee), or (B) take such other actions (to the extent possible) as are reasonably required by the Rating Agencies to ensure that the ratings assigned to the Class A Notes and the Class B Notes are not adversely affected by the Account Bank's failure to meet the Account Bank Required Ratings. |
| <b>Transaction Account Bank</b>   |  |
| If at any time the Transaction Account Bank is assigned a rating of less than: (i) in the case of S&P, either (a) a long-term rating of A and a short-term rating of A-1 or (b) if the Transaction Account Bank does not have a long-term rating from S&P, a short-term rating of A-1 (or such other ratings as may be agreed with, or are consistent, in each case, with the then published criteria of, S&P), or (ii) in the case of Moody's, a short-term deposit rating of P-1 (or such other ratings as may be agreed with, or are consistent with the then published criteria of, Moody's) (the <b>Transaction Account Bank Required Ratings</b> ) or if all of the ratings from either such Rating Agency have been withdrawn. | The Transaction Account Bank (on behalf and at the cost of the Issuer) will (A) be required within 31 calendar days to transfer the Transaction Account to an alternative bank consented to by the Trustee (which consent shall not be unreasonably withheld or delayed) with at least the Transaction Account Bank Required Ratings (at no cost to the Cash Administrator, the Transaction Account Bank or the Trustee), or (B) take such other actions (to the extent possible) as are reasonably required by the Rating Agencies to ensure that the ratings assigned to the Class A Notes and the Class B Notes are not adversely affected by the Transaction Account Bank's failure to meet the Transaction Account Bank Required Ratings.           |

**Non-Rating Triggers Table**

| <b>Nature of Trigger:</b>      | <b>Description of Trigger:</b>   | <b>Contractual requirements upon the occurrence of the following triggers:</b>   |
|--------------------------------|--|--|
| <b>Issuer Event of Default</b> | The occurrence of any of the following:<br><br>(i) the Issuer is deemed unable to pay its debts within the meaning of section 123(1)(b), (c) or (d) of the | The Trustee may in its absolute discretion, and if so directed by an Extraordinary Resolution of the holders of the Controlling Class or so requested in |

| Nature of Trigger: | Description of Trigger:   | Contractual requirements upon the occurrence of the following triggers:   |
|--------------------|---|---|
|                    | <p>Insolvency Act (as that section may be amended) or becomes unable to pay its debts as they fall due or the Issuer is wound up (except for a voluntary winding-up by its shareholders) or an order is made or an effective resolution is passed for the winding-up of the Issuer or the Issuer initiates or consents or otherwise becomes subject to liquidation, examinership, insolvency, reorganisation or similar proceedings under any applicable law;</p> <p>(ii) the Issuer (a) defaults in the payment of any Set Interest Amount due on the Notes of the Controlling Class when the same becomes due and payable to any Swap Counterparty or the Principal Paying Agent (as applicable) on any Payment Date and such default continues for a period of five Business Days or more or (b) defaults on the payment of any principal due in respect of any Notes of the Controlling Class when the same becomes due and payable to any Swap Counterparty or the Principal Paying Agent (as applicable) and such default continues for a period of five Business Days or more, provided that such a failure to pay principal on the Class C Note or, prior to the Legal Maturity Date, on the Class A Notes or the Class B Notes, will only constitute an Issuer Event of Default if the Available Distribution Amount as at the immediately preceding Calculation Date would have been sufficient to pay such amounts in full in accordance with the applicable Priority of Payments;</p> <p>(iii) the Issuer fails to perform or comply with any one or more of its other obligations (other than a failure to perform or comply with obligations which failure, in the opinion of the</p> | <p>writing by the holders of at least 25 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class shall (subject, in each case, to being indemnified and/or prefunded and/or secured to its satisfaction), serve an Enforcement Notice on the Issuer (copied to the Account Bank and the Principal Paying Agent) declaring the Notes to be due and payable, and each Note will accordingly forthwith become immediately due and payable at its Note Principal Amount Outstanding together with accrued but unpaid interest (if any).</p> |

| Nature of Trigger:                                  | Description of Trigger:   | Contractual requirements upon the occurrence of the following triggers:  |
|---|---|--|
|   | <p>Trustee, is not materially prejudicial to the interests of the Noteholders of any Class) and (except where such failure is not capable of remedy, when no such notice as is hereinafter referred to will be required) such failure continues for more than 30 calendar days (or such longer period as the Trustee at the direction of the Controlling Class (acting by Extraordinary Resolution) may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or</p> <p>(iv) a distress, execution, attachment, diligence or other legal process is levied or enforced upon or sued out against all or any substantial part of the assets of the Issuer and is, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders of any Class, and not discharged or does not otherwise cease to apply within 30 calendar days of being levied, enforced or sued out, or the Issuer makes a conveyance, assignation, trust or assignment for the benefit of its creditors generally.</p> |  |
| <p><b>Cash Administrator Termination Events</b></p> | <p>The occurrence of any of the following:</p> <p>(i) the Cash Administrator fails to make a payment due under the Cash Administration Agreement at the latest on the second Business Day after its due date or, in the event no due date has been determined, if payable, within two Business Days after a written demand for payment;</p> <p>(ii) the Cash Administrator fails to comply with its covenants or obligations (other than those referred to in item (i) above), which failure is, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders of the Controlling Class;</p>  | <p>Termination of appointment of Cash Administrator (subject to the appointment of a substitute cash administrator).</p> |

| Nature of Trigger:                 | Description of Trigger:   | Contractual requirements upon the occurrence of the following triggers:   |
|------------------------------------|---|---|
|                                    | (iii) an Insolvency Event occurs in respect of the Cash Administrator; or<br><br>(iv) the Cash Administrator fails to be exempt from FATCA Withholding.   |   |
| <b>Servicer Termination Events</b> | <p>The occurrence of any of the following:</p> <p>(i) the Servicer fails to make a payment due under the Servicing Agreement at the latest on the second Business Day after its due date, or, in the event no due date has been determined, if payable, within 3 Business Days after a written demand for payment;</p> <p>(ii) following a demand for performance, the Servicer fails within 5 Business Days to perform its material (as determined by the Issuer) obligations (other than those referred to in item (i) above) owed to the Issuer under the Servicing Agreement and such failure would, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders of the Controlling Class;</p> <p>(iii) the Servicer (a) is unable to pay its debts when they fall due, (b) intends to commence insolvency or reorganisation proceedings or (c) is subject to insolvency or dissolution proceedings and fails to remedy or contest in good faith such status within 60 Business Days; or</p> <p>(iv) any material licence, authorisation or registration of the Servicer required with respect to the Servicing Agreement and the Services is revoked or restricted.</p> | <p>Termination of appointment of Servicer. The performance of the Servicer's obligations under the Servicing Agreement shall be undertaken by a Successor Servicer in accordance with the terms of a replacement servicing agreement.</p> |

| <b>Nature of Trigger:</b>                 | <b>Description of Trigger:</b>   | <b>Contractual requirements upon the occurrence of the following triggers:</b>  |
|---|--|---|
| <b>Insolvency Event of the Seller</b>     | The occurrence of an Insolvency Event with respect to the Seller and upon request by the Insolvency Official of the Seller.  | The Servicer will negotiate the variable component of the Administrator Incentive Recovery Fee with the Seller's Insolvency Official with a view to maximising recoveries in respect of the relevant Financed Vehicles where the Seller's Insolvency Official disposes of, arranges for the disposal of or otherwise assists with the disposal of such relevant Financed Vehicles.  |
| <b>Principal Payment Trigger Event</b>    | Occurs if (i) prior to the Revolving Period End Date, (a) the sum of the Adjusted Aggregate Asset Amount Outstanding and any amounts credited to the Reinvestment Principal Ledger (including any amounts that would be credited to the Reinvestment Principal Ledger were a Principal Payment Trigger Event not to occur with respect to such Calculation Date) falls below the sum of the Class A Notes Principal, the Class B Notes Principal and the Class C Note Principal as at any Calculation Date, having given effect to any payments that would be made on the following Payment Date were a Principal Payment Trigger Event not to occur on such date, or (b) a Revolving Period Termination Event occurs, or (ii) on and after the Revolving Period End Date, the sum of the Adjusted Aggregate Asset Amount Outstanding and any amounts credited to the Class A1 Cash Accumulation Ledger (including any amounts that would be credited to the Class A1 Cash Accumulation Ledger were a Principal Payment Trigger Event not to occur with respect to such Calculation Date) falls below the sum of the Class A Notes Principal, the Class B Notes Principal and the Class C Note Principal as at any Calculation Date, having given effect to any payments of principal that would be made on the following Payment Date were a Principal Payment Trigger Event not to occur on such date. | On each Payment Date on and from the occurrence of a Principal Payment Trigger Event but prior to the delivery of an Enforcement Notice, the Notes will be subject to redemption, in accordance with the Pre-Enforcement Priority of Payments, sequentially in the following order: <i>first, pari passu</i> and <i>pro rata</i> among themselves, the Class A1 Notes and the Class A2 Notes (in an aggregate amount equal to the excess of the Class A Notes Principal over the Class A Target Principal Amount), <i>second</i> , the Class B Notes (in an aggregate amount equal to the excess of the Class B Notes Principal over the Class B Target Principal Amount), and <i>third</i> , the Class C Note (in an aggregate amount equal to the excess of the Class C Note Principal over the Class C Target Principal Amount). |
| <b>Principal Deficiency Trigger Event</b> | Occurs if the sum of the Class A Notes Principal, the Class B Notes Principal and the Class C Note Principal as at any Calculation Date, having given effect to any  | On and after the occurrence of a Principal Deficiency Trigger Event, interest on the Class B Notes will become subordinate to the items above (but will be paid prior to)   |



| <b>Nature of Trigger:</b>                        | <b>Description of Trigger:</b>   | <b>Contractual requirements upon the occurrence of the following triggers:</b>  |
|--|--|---|
|  | <p>payments of principal that would be made on the following Payment Date were a Principal Payment Trigger Event not to occur on such date, minus the sum of the Adjusted Aggregate Asset Amount Outstanding and any amounts credited to the Class A1 Cash Accumulation Ledger (including any amounts that would be credited to the Class A1 Cash Accumulation Ledger were a Principal Payment Trigger Event not to occur with respect to such Calculation Date) is greater than £47,250,000.</p>  | <p>item (n) in the Pre-Enforcement Priority of Payments (on or after a Principal Payment Trigger Event) as more fully described under Condition 7.8 (<i>Pre-Enforcement Priority of Payments</i>). Subordination of interest on the Class B Notes following the occurrence of a Principal Deficiency Trigger Event will continue even if such Principal Deficiency Trigger Event is no longer continuing.</p> |
| <p><b>Notification Events</b></p>                | <p>The occurrence of any of the following:</p> <ul style="list-style-type: none"> <li>(i) the delivery by the Trustee to the Issuer of an Enforcement Notice in accordance with the Conditions;</li> <li>(ii) the occurrence of an Insolvency Event in respect of the Seller;</li> <li>(iii) the occurrence of a Servicer Termination Event;</li> <li>(iv) the Seller being required to deliver the Notification Event Notice by a requirement of law; or</li> <li>(v) the Security or any material part of the Security being in jeopardy in the sole determination of the Trustee and it being considered necessary or desirable by the Trustee in its sole discretion for a Notification Event Notice to be delivered by the Servicer in order to materially reduce such jeopardy.</li> </ul> | <p>The Trustee may require that a Notification Event Notice be delivered to Customers pursuant to the Receivables Sale Agreement.</p>   |
| <p><b>Revolving Period Termination Event</b></p> | <p>The occurrence of any of the following:</p> <ul style="list-style-type: none"> <li>(i) an Issuer Event of Default or a Notification Event;</li> <li>(ii) a change of control with respect to the Seller, and, for the purposes of this definition, the Seller will be treated as being under the control of a person if such person: <ul style="list-style-type: none"> <li>(a) has the power (whether by any ownership of shares,</li> </ul> </li> </ul>   | <p>On or after the occurrence of a Revolving Period Termination Event, the Revolving Period will terminate and no Further Receivables may be sold to the Issuer.</p>  |

| Nature of Trigger: | Description of Trigger:  | Contractual requirements upon the occurrence of the following triggers: |
|--------------------|--|---|
|                    | <p>proxy, contract, agency or otherwise) to cast, or control the casting of, more than 50 per cent. of the maximum number of votes that might be cast at a general meeting of the Seller, or appoint or remove all, or the majority, of the directors or other equivalent officers of the Seller or give directions with respect to the operating and financial policies of the Seller with which the director or other equivalent officers of the Seller are obliged to comply; or</p> <p>(b) holds (directly or indirectly) more than 50 per cent. of the issued share capital or membership rights of or in the Seller;</p> <p>(iii) a Negative Carry Event;</p> <p>(iv) the Three Month Moving Average of Delinquent Receivables as at the related Calculation Dates expressed as a percentage of the Aggregate Asset Amount Outstanding of the Purchased Receivables on such Calculation Dates exceeds 1 per cent.;</p> <p>(v) a Principal Payment Trigger Event;</p> <p>(vi) an Event of Default or Termination Event under the Swap Agreements (each as defined therein);</p> <p>(vii) a Reserve Shortfall; or</p> <p>(viii) the Cumulative Gross Defaulted Receivables expressed as a percentage of the Aggregate Asset Amount Outstanding of the Initial Portfolio exceeds 1.25 per cent.</p> |   |

## FEES

The following table sets out the up-front and on-going fees to be paid by the Issuer to the Transaction Parties.

| Amount of Fee   | Priority in cashflow waterfall | Frequency                              |
|---|--------------------------------|--|
| <i>Servicer</i>   |                                |  |
| 0.75 per cent. per annum of the aggregate of (i) the Aggregate Asset Amount Outstanding; and (ii) the Guaranteed Future Value Payment component of Purchased Receivables subject to PCP Agreements, in each case determined as at the Calculation Date immediately preceding such Payment Date (inclusive of VAT, if any) | Ahead of all outstanding Notes | Monthly in arrear on each Payment Date |
| <i>Other fees and expenses of the Issuer</i>  |                                |  |
| Estimated at £110,000 per annum in total (exclusive of VAT) plus, to the extent applicable, a variable custodian fee related to any securities Swap Collateral Account  | Ahead of all outstanding Notes | Monthly in arrear on each Payment Date |
| <i>Expenses directly related to the admission to listing and trading of the Notes</i>   |                                |  |
| €8,441.20 (exclusive of any applicable VAT)   | N/A                            | On or before the Closing Date          |

## CREDIT STRUCTURE

### Cash Collection Arrangements and Issuer Accounts

Payments by the Customers under the Purchased Receivables are due on a monthly basis, with interest or finance charges (as applicable) being payable in arrear. Customers will make such payments into the Seller Accounts and, in the majority of cases, by direct debit. The Seller will hold all amounts credited to the Seller Accounts which are due to the Issuer pursuant to or in respect of the Purchased Receivables and the Related Collateral from time to time, excluding Seller Amounts, any amounts received by the Issuer but held on trust for the benefit of the Seller in accordance with the Receivables Sale Agreement and any amounts received by the Issuer as Collections and apportioned by the Servicer to the Guaranteed Future Value Payment component of any PCP Agreement. Prior to a Servicer Termination Event, all Collections will be transferred, within one Business Day following receipt by the Seller into the Seller Accounts, to the Transaction Account held in the name of the Issuer at the Transaction Account Bank. On the Business Day before each Payment Date, certain amounts standing to the credit of the Transaction Account will be transferred from the Transaction Account to the Sterling Account held in the name of the Issuer at the Account Bank. See “*Overview of the Transaction Documents—Servicing Agreement*” and “*Overview of the Transaction Documents—Account Bank Agreement*”.

The Ledgers will be maintained to record amounts held in (i) the Transaction Account in respect of (a) the balance of the Reserve Fund, (b) the amounts due and payable by the Issuer to the Seller under the Receivables Sale Agreement in respect of any Seller Amounts and (c) any amounts received by the Issuer as Collections and apportioned by the Servicer to the Guaranteed Future Value Payment component of any PCP Agreement and (ii) the Sterling Account in respect of (a) the Available Distribution Amount, (b) the balance of the Class A1 Cash Accumulation Fund and (c) amounts due to the Issuer as retained profit.

The Class A1 Swap Reserve Account will be established at the Account Bank or at any other bank specified as such by or on behalf of the Issuer with the consent of the Trustee in the future in substitution of such Account Bank in accordance with the Account Bank Agreement and the Deed of Charge. If the Class A1 Swap has been terminated and no replacement swap has been entered into, then all amounts payable by the Issuer in relation to the Class A1 Notes, which amounts are denominated in Sterling, will be converted into Dollars at the Spot Rate by the Cash Administrator. To the extent that Currency Swap Excess Amounts result from such conversion, such amounts will be deposited into the Class A1 Swap Reserve Account where, subject to the terms of the Transaction Documents, they may be applied on subsequent Payment Dates towards, *firstly*, Currency Swap Deferred Interest Amounts and, *secondly*, Currency Swap Deferred Principal Amounts, or towards the purchase of, on any future date, a replacement swap for the Class A1 Notes. Following the (i) entry into a replacement swap agreement, or (ii) reduction of the Aggregate Note Principal Amount Outstanding of the Class A1 Notes to zero, amounts on deposit in the Class A1 Swap Reserve Account will be included in the Available Distribution Amount and will be available for distribution in accordance with the applicable Priority of Payments.

### Available Distribution Amount

The Available Distribution Amount will be calculated with respect to a Collection Period for the purpose of determining the amount to be applied under the Pre-Enforcement Priority of Payments on the immediately following Payment Date.

The amounts to be applied under the Pre-Enforcement Priority of Payments will vary during the life of the Transaction as a result of possible variations in the amount of Collections and certain costs and expenses of the Issuer. The amount of Collections received by the Issuer will vary during the life of the Notes as a result of the level of delinquencies, defaults, repayments and prepayments in respect of the Purchased Receivables. The effect of such variations could lead to drawings under, and the replenishments of, the Reserve Fund.

The Available Distribution Amount excludes, among other things, any amounts received by the Issuer as Collections and apportioned by the Servicer to the Guaranteed Future Value Payment component of any PCP

Agreement in accordance with the Receivables Sale Agreement and the Servicing Agreement. The Available Distribution Amount includes amounts apportioned by the Servicer to the Scheduled Payments component of any PCP Agreement (to the extent such amounts constitute Collections), which shall be applied in accordance with the applicable Priority of Payments. Amounts apportioned by the Servicer to the Guaranteed Future Value Payment component of any PCP Agreement (to the extent such amounts constitute Collections) shall only be available for payments of the Senior Deferred Consideration to the Seller. See “*Description of the Portfolio—PCP Agreements*”, “*Overview of the Transaction Documents—Receivables Sale Agreement*”, and “*Overview of the Transaction Documents —Servicing Agreement*”.

### **Pre-Enforcement Priority of Payments**

The Available Distribution Amount will, pursuant to the Conditions and the Receivables Sale Agreement, be applied on each Payment Date in accordance with the Pre-Enforcement Priority of Payments set out in Condition 7.8 (*Pre-Enforcement Priority of Payments*).

Payments to satisfy amounts due to third parties (other than pursuant to the Transaction Documents) and payable in connection with the Issuer’s business may be made from the Issuer Accounts on dates other than on a Payment Date. In addition, following any termination of the Class A1 Swap or the Class A Swap, the Issuer shall pay any applicable termination payment to the Class A1 Swap Counterparty or the Class A Swap Counterparty, as the case may be, on any date other than a Payment Date, provided that the Issuer has received an amount equal to such termination payment as an initial swap payment from the relevant replacement swap counterparty.

### **Post-Enforcement Priority of Payments**

Following the delivery of an Enforcement Notice and prior to the full discharge of all Secured Obligations, the Available Distribution Amount will, pursuant to the Conditions and the Receivables Sale Agreement, be applied on each Payment Date by the Issuer or, in the case of enforcement of the Security, by the Trustee, in accordance with the Post-Enforcement Priority of Payments set out in Condition 7.9 (*Post-Enforcement Priority of Payments*).

### **Swap Agreements**

A Swap Counterparty may transfer its rights and obligations under the relevant Swap Agreement to any institution which (or whose credit support provider (as defined in the relevant Swap Agreement)) (a) satisfies the applicable Required Ratings and (b) satisfies the transfer provisions of the Swap Agreements.

If the relevant Swap Counterparty (and all relevant guarantors) cease to have the Initial S&P Required Ratings or the Initial Moody’s Required Rating, then the relevant Swap Counterparty will be obliged under the terms of the relevant Swap Agreement, within the applicable period prescribed therein, at its own cost and expense, to take the actions specified under “*Triggers Tables—Rating Triggers Table*”, which include but are not limited to: (i) (A) opening a Swap Collateral Account with (in the case of any cash Swap Collateral Account) the Account Bank and (in the case of any securities Swap Collateral Account) a custodian, in each case in the name of the Issuer in accordance with and subject to the conditions stipulated in the relevant Swap Agreement, Account Bank Agreement, Cash Administration Agreement and any custody agreement and (B) posting collateral in accordance with the provisions of the relevant Credit Support Annex to such Swap Collateral Account, (ii) procuring a guarantee from a third party with the applicable Required Ratings of its present and future obligations under the relevant Swap Agreement, and/or (iii) transferring its rights and obligations under the relevant Swap Agreement to a third party with the applicable Required Ratings.

Failure by the relevant Swap Counterparty to comply with the aforementioned requirements will constitute an Additional Termination Event (as defined in the relevant Swap Agreement) in respect of the relevant Swap Counterparty, as specified in the relevant Swap Agreement, exercisable by the Issuer in accordance with the terms and conditions thereof. Where the relevant Swap Counterparty provides collateral in accordance with the provisions of the relevant Credit Support Annex, such collateral and interest thereon will not form part of

the Available Distribution Amount and any such collateral which is in excess of the relevant Swap Counterparty's obligations to the Issuer under the relevant Swap Agreement will promptly be returned to such Swap Counterparty prior to the distribution of any amounts due by the Issuer to any other Transaction Parties under the Transaction Documents and outside the relevant Priority of Payments. See "*Risk Factors—The Swap Agreements*".

### **Class A Swap**

The payments made by the Customers under the Purchased Receivables will be denominated in Sterling, with interest payable at a fixed rate as per the Eligibility Criteria, but payments made in respect of (i) the Class A1 Notes will be denominated in Dollars, with interest payable with reference to USD LIBOR, and (ii) the Class A2 Notes will be denominated in Sterling, with interest payable with reference to GBP LIBOR. In order to hedge the resulting interest rate and currency risk, the Issuer will enter into the Class A Swap and the Class A1 Swap under the Class A Swap Agreement and the Class A1 Swap Agreement (respectively) on or about the Closing Date.

The Issuer will hedge the fixed-floating interest rate exposure with respect to the Class A Notes by entering into the Class A Swap under the Class A Swap Agreement on or about the Closing Date with the Class A Swap Counterparty. Under the Class A Swap, on each Payment Date:

- (i) the Issuer will pay the Class A Swap Counterparty an amount equal to the product of (a) 0.55 per cent. per annum, (b) the lesser of (A) the Class A Notes Principal and (B) an amount set out in a pre-agreed amortisation schedule with respect to such date and (c) the actual number of days in the applicable calculation period in respect of which payment is being made divided by 365; and
- (ii) the Class A Swap Counterparty will pay the Issuer an amount equal to the product of: (a) GBP LIBOR, as determined by the Calculation Agent under the Class A Swap in respect of the relevant Interest Period, (b) the lesser of (A) the Class A Notes Principal and (B) an amount set out in a pre-agreed amortisation schedule with respect to such date, and (c) the actual number of days in the applicable calculation period in respect of which payment is being made divided by 365.

Payments under the Class A Swap will be made on a net basis. See "*Risk Factors—The Swap Agreements*".

### **Class A1 Swap**

Pursuant to the Class A1 Swap, on the Closing Date, the Issuer will pay to the Class A1 Swap Counterparty an amount in Dollars equal to the subscription amount paid in respect of the Class A1 Notes, and the Class A1 Swap Counterparty will pay to the Issuer an amount in Sterling equal to the subscription amount paid in respect of the Class A1 Notes converted into Sterling at the Relevant Exchange Rate.

On each subsequent Payment Date:

- (i) the Issuer will pay the Class A1 Swap Counterparty an amount in Sterling equal to the product of: (a) the lesser of (1) the Note Principal Amount Outstanding of the Class A1 Notes converted into Sterling at the Relevant Exchange Rate and (2) an amount set out in a pre-agreed amortisation schedule with respect to such date, (b) GBP LIBOR, as determined by the calculation agent under the Class A1 Swap, plus a margin of 0.38625 per cent. per annum and (c) the actual number of days in the applicable calculation period in respect of which payment is being made divided by 365;
- (ii) the Class A1 Swap Counterparty will pay the Issuer an amount in Dollars equal to the product of (a) the lesser of (1) the Note Principal Amount Outstanding of the Class A1 Notes and (2) an amount set out in a pre-agreed amortisation schedule with respect to such date, (b) USD LIBOR, as determined by the calculation agent under the Class A1 Swap, plus the Relevant Margin of 0.53 per cent. per annum and (c) the actual number of days in the applicable calculation period in respect of which payment is being made divided by 360;

- (iii) (a) prior to the occurrence of a Principal Payment Trigger Event, the Issuer will pay the Class A1 Swap Counterparty the Class A1 GBP Amortisation Amount in accordance with the applicable Priority of Payments, and (b) upon the occurrence of a Principal Payment Trigger Event and thereafter, the Issuer will pay the Class A1 Swap Counterparty the Actual Class A1 GBP Amortisation Amount, in accordance with the applicable Priority of Payments; and
- (iv) (a) prior to the occurrence of a Principal Payment Trigger Event, the Class A1 Swap Counterparty will pay the Issuer the Class A1 USD Amortisation Amount, and (b) upon the occurrence of a Principal Payment Trigger Event and thereafter, the Class A1 Swap Counterparty will pay the Issuer the Actual Class A1 USD Amortisation Amount.

The amounts payable by the Class A1 Swap Counterparty to the Issuer pursuant to the Class A1 Swap shall be paid to the Principal Paying Agent on behalf of the Issuer.

### **Swap Collateral Accounts**

No amount or security may be withdrawn from any Swap Collateral Account or any other account used for this purpose in accordance with the terms of a Credit Support Annex, other than (i) to effect the return of excess collateral to the relevant Swap Counterparty (which return shall be effected by the transfer of such excess directly to any Swap Counterparty without deduction for any purpose and outside the relevant Priority of Payments) or (ii) following the termination of the relevant Swap Agreement where an amount is owed by the relevant Swap Counterparty to the Issuer (for the avoidance of doubt, after any close out netting has taken place).

If the relevant Swap Counterparty (and all relevant guarantors) cease to have the Initial S&P Required Ratings or the Initial Moody's Required Rating, then the relevant Swap Counterparty will (unless it procures a guarantee from a third party with the applicable Required Ratings of its present and future obligations under the relevant Swap Agreement or transfers its rights and obligations under the relevant Swap Agreement to a third party with the applicable Required Ratings, in each case within the period prescribed in the relevant Swap Agreement) be obliged under the terms of the relevant Swap Agreement, within the period prescribed therein, at its own cost and expense, to establish one or more Swap Collateral Accounts with (in the case of any cash Swap Collateral Accounts) the Account Bank and (in the case of any securities Swap Collateral Accounts) a custodian, and post collateral thereto as required by the relevant Swap Agreement. Any cash Swap Collateral Account will be established in the name of the Issuer with the Account Bank in accordance with the relevant Swap Agreement, the Account Bank Agreement and the Cash Administration Agreement. Any securities Swap Collateral Account will be established as a custody account in the name of the Issuer with a custodian satisfying the conditions stipulated under the relevant Swap Agreement and otherwise in accordance with any applicable custody agreement, and such custodian will be a Secured Creditor under the Deed of Charge. The relevant Swap Counterparty shall transfer any cash Swap Collateral Account from the Account Bank if the ratings of the Account Bank fall below the levels set out in "*Triggers Tables—Rating Triggers Table*".

### **Estimations and Reconciliations**

If no Monthly Report or other relevant information on the basis of which the notional amounts, exchanges, fixed amounts and/or floating amounts under the Class A1 Swap or the Class A Swap would ordinarily be determined has been received, in respect of any Collection Period or calculation period, the notional amounts, exchanges, fixed amounts and/or floating amounts under the Class A1 Swap or the Class A Swap shall be determined by the Calculation Agent (as defined under the Class A1 Swap and the Class A Swap) based on, to the extent available, the Monthly Reports or other relevant information previously provided to such calculation agent.

## Credit Enhancement

Prior to the delivery of an Enforcement Notice, (i) the Class A Notes will have the benefit of credit enhancement provided through (A) the subordination of (1) principal payments and, following a Principal Deficiency Trigger Event, interest payments, on the Class B Notes, and (2) principal and interest payments on the Class C Note, (B) the Reserve Fund, (C) in certain circumstances following redemption in full of the Class A2 Notes, the Class A1 Cash Accumulation Fund, and (D) excess spread, (ii) the Class B Notes will have the benefit of credit enhancement provided through (A) the subordination of interest and principal payments on the Class C Note, (B) the Reserve Fund, and (C) excess spread, and (iii) the Class C Note will have the benefit of credit enhancement provided through excess spread. In addition, on the Closing Date, it is expected that there will be excess spread, as the weighted average rate in respect of the interest and finance charges under the Underlying Agreements exceeds the weighted average interest rate of the Notes (taking into account the fixed rate payable under the Class A Swap), in part because the fixed interest rate portion of the Scheduled Payment component of PCP Agreements is calculated based on the aggregate principal amount of such PCP Agreements (which includes the Guaranteed Future Value Payment component of such PCP Agreements) whereas the Guaranteed Future Value Payment component of PCP Agreements will not back payments on the Notes. It is consequently expected that the Available Distribution Amount will exceed the aggregate Interest Amount payable in respect of all Classes of Notes on any Payment Date.

Following the delivery of an Enforcement Notice and on enforcement of the Security, the Class A Notes will have the benefit of credit enhancement provided through the subordination, both as to payment of interest and principal, of the Class B Notes and the Class C Note, and the Class B Notes will have the benefit of credit enhancement provided through the subordination, both as to payment of interest and principal, of the Class C Note.

## Reserve Fund

As at the Closing Date, £9,004,814.53 of the aggregate Subordinated Loan Advance provided by the Subordinated Loan Provider under the Subordinated Loan Agreement will have been deposited into the Transaction Account and credited to the Reserve Ledger. Prior to the delivery of an Enforcement Notice, the amount credited to the Reserve Ledger as at the Calculation Date immediately preceding any Payment Date will be available to meet items (a) to (j) (inclusive) during the Revolving Period or (a) to (p) (inclusive) (on and after the Revolving Period End Date and prior to a Principal Payment Trigger Event), or items (a) to (n) (inclusive) (on or after a Principal Payment Trigger Event) of the Pre-Enforcement Priority of Payments.

Prior to the delivery of an Enforcement Notice, if and to the extent that the Available Distribution Amount on any Payment Date exceeds the amounts:

- (i) required to meet the items ranking higher than item (i) in the Pre-Enforcement Priority of Payments, the excess amount will be applied to credit the Reserve Ledger until the balance standing to the credit of the Reserve Fund equals the Required Liquidity Reserve Amount as at the Calculation Date immediately preceding such Payment Date; and
- (ii) required to meet the items ranking higher than item (j) (during the Revolving Period), item (q) (on and after the Revolving Period End Date and prior to a Principal Payment Trigger Event) or item (o) (on or after a Principal Payment Trigger Event) in the Pre-Enforcement Priority of Payments, the excess amount will be applied to credit the Reserve Ledger up to an amount equal to (in each case as at the Calculation Date immediately preceding such Payment Date): (1) the Required Reserve Amount *minus* (2) the Required Liquidity Reserve Amount.

After the Aggregate Note Principal Amount Outstanding of the Class A Notes and the Class B Notes has been reduced to zero, no further amounts will be deposited in the Reserve Fund and the Required Liquidity Reserve Amount and the Required Reserve Amount will be zero.



## **Class A1 Cash Accumulation Fund**

The Class A1 Notes will have the benefit of the Class A1 Cash Accumulation Fund. The Class A1 Cash Accumulation Ledger will not be funded on the Closing Date. On each Payment Date prior to the occurrence of a Principal Payment Trigger Event or the delivery of an Enforcement Notice and beginning on the Payment Date on which the Class A2 Notes Principal is reduced to zero, if and to the extent that the Available Distribution Amount exceeds the amounts required to meet the items ranking higher than item (m) (on and after the Revolving Period End Date and prior to a Principal Payment Trigger Event) in the Pre-Enforcement Priority of Payments, the Class A1 Cash Accumulation Ledger will be funded up to the Class A1 Cash Accumulation Ledger Required Amount as at such Payment Date.

The Class A1 Cash Accumulation Fund forms a part of the Available Distribution Amount but is, prior to the redemption of the Class A1 Notes in full, only available for payments of principal on the Class A1 Notes. The portion of the Available Distribution Amount comprising amounts standing to the credit of the Class A1 Cash Accumulation Ledger must to be used first for principal payments on the Class A1 Notes. The remainder of the Available Distribution Amount is applied towards payment of the other items in the relevant Priority of Payments and may only use for principal payments on the Class A1 Notes if amounts standing to the credit of the Class A1 Cash Accumulation Ledger are not sufficient for that purpose. If on any Calculation Date the amount on deposit in the Class A1 Cash Accumulation Ledger exceeds the amount required to fully pay the Aggregate Note Principal Amount Outstanding of the Class A1 Notes on the immediately following Payment Date, such excess shall be available on such Payment Date for application towards payment of other items in the applicable Priority of Payments. The Class A1 Cash Accumulation Ledger will be operated by the Cash Administrator as a ledger on the Sterling Account. See “*Terms and Conditions of the Notes—Redemption—Pre-Enforcement Priority of Payments*” and “*Credit Structure—Class A1 Cash Accumulation Fund*”.

## **The Subordinated Loan Agreement**

- ***Subordinated Loan Advance***

The Subordinated Loan Provider will make available to the Issuer on the Closing Date the Subordinated Loan Advance under the Subordinated Loan Agreement in the principal amount of £10,755,954.91 which will be utilised for the purpose of establishing and initially funding the Reserve Fund and paying certain expenses of the Issuer.

- ***Class A1 Principal Requirement Advance to cure a Class A1 Principal Requirement Shortfall***

If, on any Calculation Date prior to a Principal Payment Trigger Event, the Cash Administrator determines that there is a Class A1 Principal Requirement Shortfall with respect to the immediately following Payment Date, the Cash Administrator shall notify the Issuer and the Subordinated Loan Provider of the amount of such Class A1 Principal Requirement Shortfall. Upon being so notified, the Subordinated Loan Provider may, from time to time and in its sole discretion, make a Class A1 Principal Requirement Advance available to the Issuer prior to such immediately following Payment Date in any amount up to (and including) the Class A1 Principal Requirement Shortfall. Each Class A1 Principal Requirement Advance shall be credited to the Sterling Account of the Issuer and applied on the immediately following Payment Date, together with the portion of the Available Distribution Amount (including, for the avoidance of doubt, amounts standing to the credit of the Class A1 Cash Accumulation Fund) available to make the payments of principal on the Class A1 Notes under item (j) (on and after the Revolving Period End Date and prior to a Principal Payment Trigger Event) of the Pre-Enforcement Priority of Payments on such Payment Date in order to reduce or eliminate such Class A1 Principal Requirement Shortfall.

- ***Class A1 Additional Set Interest Amount Advance***

In addition, if the Cash Administrator determines on any Calculation Date prior to delivery of an Enforcement Notice, that the Available Distribution Amount (after payment of items that are senior

and *pari passu* thereto in the Pre-Enforcement Priority of Payments) will be insufficient to pay the Set Interest Amount due and payable to the Class A1 Noteholders on such Payment Date, the Cash Administrator shall notify the Issuer and the Subordinated Loan Provider of the amount of such shortfall. Upon being so notified, the Subordinated Loan Provider may from time to time and in its sole discretion, make a Class A1 Additional Set Interest Amount Advance available to the Issuer prior to such immediately following Payment Date in any amount up to (and including) the applicable shortfall. Each Class A1 Additional Set Interest Amount Advance shall be credited to the Sterling Account of the Issuer and applied on the immediately following Payment Date.

Prior to the delivery of an Enforcement Notice, interest and principal in respect of the Subordinated Loan Advance, any Class A1 Principal Requirement Advance and any Class A1 Additional Set Interest Amount Advance will be payable by the Issuer monthly in arrear on each Payment Date, subject to and in accordance with the Pre-Enforcement Priority of Payments. The obligations of the Issuer to make payments of principal and interest (if any) to the Subordinated Loan Provider in respect of each Class A1 Principal Requirement Advance are separate from, and rank in priority to, the obligations of the Issuer to make payments to the Subordinated Loan Provider in respect of any other amounts under the Subordinated Loan Agreement. The obligations of the Issuer to make payments of principal and interest to the Subordinated Loan Provider in respect of the Subordinated Loan Advance and the Class A1 Additional Set Interest Amount Advance are subordinated to the obligations of the Issuer under the Notes and also rank below all other obligations of the Issuer (other than subordinated termination payments (if any) due to a Swap Counterparty, retained profit due to the Issuer (if any) and Junior Deferred Consideration). See “*Overview of the Transaction Documents—Subordinated Loan Agreement*”.

## DESCRIPTION OF THE NOTES IN GLOBAL FORM

### General

The Notes of each Class (other than the Class C Note) will be represented by either a Rule 144A Global Note or a Reg S Global Note, as applicable. Beneficial interests in a Rule 144A Global Note representing the Class A1 Notes may only be held through DTC and beneficial interests in a Rule 144A Global Note representing the Class A2 Notes and Class B Notes may only be held through Euroclear or Clearstream, Luxembourg or their participants. Beneficial interests in a Reg S Global Note may only be held through Euroclear or Clearstream, Luxembourg or their participants at any time.

The Rule 144A Global Notes representing the Class A1 Notes will be deposited on or about the Closing Date with the DTC Custodian. The Rule 144A Global Notes representing the Class A2 Notes and the Class B Notes, and the Reg S Global Notes representing the Class A Notes and the Class B Notes will be held under the New Safekeeping Structure for Global Notes (the **NSS**) and will be deposited with a Common Safekeeper for Euroclear and Clearstream, Luxembourg and registered in the name of the Common Safekeeper (or a nominee thereof). The Class C Note will not be cleared.

The Global Notes held through DTC will be registered in the name of Cede & Co. as the nominee for DTC and the Global Notes held through Euroclear or Clearstream, Luxembourg will be registered in the name of the Common Safekeeper or a nominee of the Common Safekeeper. Upon confirmation by DTC or the Common Safekeeper, as applicable, that DTC or the Common Safekeeper, as applicable, has custody of the Global Notes being held through it, and, with respect to DTC, upon acceptance of the DTC Letter of Representations, DTC and the Common Safekeeper, as applicable, will record Book-Entry Interests in the related Global Notes.

Ownership of Book-Entry Interests is limited to Participants or Indirect Participants (see “*Glossary of Defined Terms*”). Indirect Participants shall also include persons that hold beneficial interests through such Indirect Participants. Book-Entry Interests will not be held in definitive form. Instead, Euroclear, Clearstream, Luxembourg or DTC, as applicable, will credit the Participants’ accounts with the respective Book-Entry Interests beneficially owned by such Participants on each of their respective book-entry registration and transfer systems. The accounts initially credited will be designated by the Managers. Ownership of Book-Entry Interests will be shown on, and transfers of Book-Entry Interests or the interests therein will be effected only through, records maintained by Euroclear, Clearstream, Luxembourg or DTC (with respect to the interests of their Participants) and on the records of Participants or Indirect Participants (with respect to the interests of Indirect Participants). The laws of some jurisdictions or other applicable rules may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may therefore impair the ability to own, transfer or pledge Book-Entry Interests.

Beneficial interests in a Rule 144A Global Note may only be held by persons who are QIBs holding their interests for their own account or for the account of another QIB. By acquisition of a beneficial interest in a Rule 144A Global Note, the purchaser thereof will be deemed to represent, among other things, that it is a QIB and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Rule 144A Global Note (see “*Transfer Restrictions*”).

So long as Cede & Co. or the nominee of the Common Safekeeper, as applicable, is the registered holder of the related Global Notes underlying the related Book-Entry Interests, Cede & Co. or the nominee of the Common Safekeeper, as applicable, will be considered the sole Noteholder of such Global Notes for all purposes under the Trust Deed. Except as set forth under “—*Issuance of Definitive Notes*”, Participants or Indirect Participants will not be entitled to have Notes registered in their names, will not receive or be entitled to receive physical delivery of Notes in definitive registered form and will not be considered the holders thereof under the Trust Deed.

In the case of the Reg S Global Notes and the Rule 144A Global Notes, unless and until Book-Entry Interests are exchanged for Definitive Notes, the Reg S Global Notes and the Rule 144A Global Notes held by the Common Safekeeper or DTC, as applicable, may not be transferred except as a whole by the Common Safekeeper or DTC or a nominee of DTC to a nominee of DTC or another nominee of DTC, as applicable, or by the Common Safekeeper to a successor of the Common Safekeeper.

### **Action in Respect of the Global Notes and the Book-Entry Interests**

Each person holding a Book-Entry Interest must rely on the rules and procedures of Euroclear, Clearstream, Luxembourg or DTC, as the case may be, and Indirect Participants must rely on the procedures of the Participants or Indirect Participants through which such person owns its interest in the relevant Book-Entry Interests, to exercise any rights and obligations of a holder of Notes under the Trust Deed. Unlike legal owners or holders of the Notes, holders of the Book-Entry Interests will not have the right under the Trust Deed to act upon solicitations by the Issuer or consents or requests by the Issuer for waivers or other actions from Noteholders. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear, Clearstream, Luxembourg or DTC, as the case may be, and, if applicable, their Participants.

Not later than 10 days after receipt by the Issuer of any notices in respect of the Global Notes or any notice of solicitation of consents or requests for a waiver or other action by the holder of the Global Notes, the Issuer will deliver to Euroclear, Clearstream, Luxembourg and DTC a notice containing (a) such information as is contained in such notice, (b) a statement that at the close of business on a specified Record Date, Euroclear, Clearstream, Luxembourg and DTC will be entitled to instruct the Issuer as to the consent, waiver or other action, if any, pertaining to the Book-Entry Interests or the Global Notes and (c) a statement as to the manner in which such instructions may be given. Upon the written request of Euroclear, Clearstream, Luxembourg or DTC, as applicable, the Issuer shall endeavour insofar as practicable to take such action regarding the requested consent, waiver or other action in respect of the Book-Entry Interests or the Global Notes in accordance with any instructions set forth in such request. Euroclear, Clearstream, Luxembourg and DTC are expected to follow the procedures described under “—*General*”, with respect to soliciting instructions from their respective Participants. Neither the Registrar nor the U.S. Registrar will exercise any discretion in the granting of consents or waivers or the taking of any other action in respect of the Book-Entry Interests or the Global Notes.

There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Issuer Event of Default under the Global Notes, holders of Book-Entry Interests will be restricted to acting through Euroclear, Clearstream, Luxembourg or DTC, as applicable, unless and until Definitive Notes are issued in accordance with the Conditions. There can be no assurance that the procedures to be implemented by DTC, Euroclear or Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

### **Trading**

Secondary market sales of Book-Entry Interests in the Notes held through Euroclear or Clearstream, Luxembourg or DTC, as applicable, to purchasers of Book-Entry Interests in the Notes held through Euroclear or Clearstream, Luxembourg or DTC, as applicable, will be conducted in accordance with the normal rules and operating procedures of Euroclear, Clearstream, Luxembourg and DTC, as applicable, and will be settled using the procedures applicable to conventional sterling denominated bonds and Dollar denominated bonds, as applicable.

Although DTC, Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of Book-Entry Interests among Participants of DTC and 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 Arranger, the Managers, the Trustee or any of their respective agents will have any responsibility for the performance by DTC, Euroclear

or Clearstream, Luxembourg or their respective Participants or account holders of their respective obligations under the rules and procedures governing their operations.

All transfers of Book-Entry Interests will be recorded in accordance with the book-entry systems maintained by DTC, Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures established by each respective system and its Participants. All transfers of the Notes must comply with the transfer restrictions set forth under “*Transfer Restrictions*” herein.

### **Payments on the Global Note**

Payment of principal and interest on, and any other amount due in respect of, the Global Notes will be made in Dollars (in respect of the Class A1 Notes) and Sterling (in respect of the Class A2 Notes and the Class B Notes) by or to the order of the U.S. Paying Agent on behalf of the Issuer to DTC or its nominee or the Principal Paying Agent on behalf of the Issuer to the Common Safekeeper or its nominee. Each holder of Book-Entry Interests must look solely to DTC, Euroclear or Clearstream, Luxembourg, as the case may be, for its share of any amounts paid by or on behalf of the Issuer to DTC, the Common Safekeeper or their nominees in respect of those Book-Entry Interests.

In accordance with the rules and procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as applicable, after receipt of any payment from the related Paying Agent to the order of DTC or the Common Safekeeper, as applicable, the respective systems will promptly credit their Participants’ accounts with payments in amounts proportionate to their respective ownership of Book-Entry Interests as shown in the records of DTC, Euroclear or Clearstream, Luxembourg, as applicable. On each Record Date, DTC, Euroclear and Clearstream, Luxembourg will determine the identity of the Noteholders for purposes of making payments to the Noteholders. Upon receipt of any payment from the U.S. Paying Agent, DTC will promptly credit its Participants’ accounts with payments in amounts proportionate to their respective ownership of Book-Entry Interests as shown in the records of DTC. The Issuer expects that payments by Participants to owners of interests in 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 in bearer form or registered in “street name”, and will be the responsibility of such Participants or Indirect Participants. None of the Issuer, any agent of the Issuer or the Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of a Participant’s ownership of Book-Entry Interests or for maintaining, supervising or reviewing any records relating to a Participant’s ownership of Book-Entry Interests.

### **Information Regarding DTC, Euroclear and Clearstream, Luxembourg**

#### ***DTC***

DTC is a limited-purpose trust company organised under the New York Banking Law, a banking organisation within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its Participants and to facilitate the clearance and settlement of transactions among its Participants in such securities through electronic book-entry changes in accounts of the Participants, thereby eliminating the need for physical movement of securities certificates. DTC Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations, some of whom (and/or their representatives) own DTC. Indirect access to DTC is available to Indirect Participants, such as banks, securities brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC direct Participant, either directly or indirectly. The rules applicable to DTC and its Participants and Indirect Participants are on file with the SEC.

### ***Euroclear and Clearstream, Luxembourg***

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 or the Trustee requests any action of owners of Book-Entry Interests or if an owner of a Book-Entry Interest desires to give instructions or take any action that a holder 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 owning the relevant Book-Entry Interests 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 relevant Paying Agent will deliver all amounts received by it in respect of the redemption of such Global Note to the nominee of DTC or the Common Safekeeper, as applicable, and, upon final payment, the holder of such Global Note will surrender such Global Note to or to the order of the relevant Paying Agent for cancellation. Appropriate entries will be made in the Register. The redemption price payable in connection with the redemption of Book-Entry Interests will be equal to the amount received by the relevant 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 DTC, Euroclear or Clearstream, Luxembourg, as the case may be, on a *pro rata* basis (or on such basis as DTC, Euroclear or Clearstream, Luxembourg, as the case may be, deems fair and appropriate).

### **Cancellation**

All Notes redeemed in full will be cancelled forthwith by the Issuer and may not be reissued or resold.

### **Settlement and Transfer of Notes**

Subject to the rules and procedures of each applicable clearing system, purchases of Notes held within a clearing system must be made by or through Participants, which will receive a credit for such Notes on the clearing system's records. The ownership interest of each actual purchaser of each such Note (the **beneficial owner**) will in turn be recorded on the Participant's records. Beneficial owners will not receive written

confirmation from any clearing system of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct and indirect participant through which such beneficial owner entered into the transaction. Transfers of ownership interests in Notes held within the clearing system will be effected by entries made on the books of Participants acting on behalf of beneficial owners. **Beneficial owners will not receive individual Notes representing their ownership interests in such Notes unless use of the book-entry system for the Notes described in this section is discontinued.**

No clearing system has knowledge of the actual beneficial owners of the Notes held within such clearing system and their records will reflect only the identity of the direct participants to whose accounts such Notes are credited, which may or may not be the beneficial owners. Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the clearing systems to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

All transfers of Book-Entry Interests will be recorded in accordance with the book-entry systems maintained by Euroclear, Clearstream, Luxembourg or DTC, as applicable, pursuant to customary procedures established by each respective system and its Participants. See “—*General*”.

Each Rule 144A Global Note will bear a legend substantially identical to that appearing under “*Transfer Restrictions*”, and the holder of any Rule 144A Global Note or any Book-Entry Interest in such Rule 144A Global Note will undertake that it will not transfer such Notes except in compliance with the transfer restrictions set forth in such legend. A Book-Entry Interest in a Rule 144A Global Note of one Class may be transferred to a person who takes delivery in the form of a Book-Entry Interest in the Reg S Global Note of the same Class whether before or after the expiration of the period ending 40 days after the later of the commencement of the offering of the Notes and the closing of the offering of the Notes (the Distribution Compliance Period), only upon receipt by the Issuer of a written certification from the transferor to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S or Rule 144A under the Securities Act (if available).

Each Reg S Global Note will bear a legend substantially identical to that appearing under “*Transfer Restrictions*”. Prior to the expiration of the Distribution Compliance Period, a Book-Entry Interest in a Reg S Global Note of one Class A Note or Class B Note may be transferred to a person who takes delivery in the form of a Book-Entry Interest in the Rule 144A Global Note of the same Class only upon receipt by the Issuer of written certification from the transferor to the effect that such transfer is being made to a person whom the transferor reasonably believes is purchasing for its own account or for an account or accounts as to which it exercises sole investment discretion and that such person and such account or accounts is a QIB within the meaning of Rule 144A, in each case, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Any Book-Entry Interest in a Reg S Global Note of one Class that is transferred to a person who takes delivery in the form of a Book-Entry Interest in the Rule 144A Global Note of the same Class will, upon transfer, cease to be represented by a Book-Entry Interest in such Reg S Global Note and will become represented by a Book-Entry Interest in such Rule 144A Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to Book-Entry Interests in a Rule 144A Global Note for as long as it remains such a Book-Entry Interest. Any Book-Entry Interest in a Rule 144A Global Note of one Class that is transferred to a person who takes delivery in the form of a Book-Entry Interest in the Reg S Global Note of the same Class will, upon transfer, cease to be represented by a Book-Entry Interest in such Rule 144A Global Note and will become represented by a Book-Entry Interest in such Reg S Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to Book-Entry Interests in a Reg S Global Note as long as it remains such a Book-Entry Interest.

## **Pre-issue Trades Settlement**

It is expected that delivery of the Notes will be made against payment therefor on the Closing Date, which could be more than three Business Days following the date of pricing. Under Rule 15c6-1 under the Exchange Act, trades in the United States secondary market generally are required to settle within three Business Days (**T+3**), unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes in the United States on the date of pricing or the next succeeding Business Days until three days prior to the relevant Closing Date will be required, by virtue of the fact the Notes initially will settle beyond T+3, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices and purchasers of Notes who wish to trade Notes between the date of pricing and the relevant Closing Date should consult their own adviser.

## **Issuance of Definitive Notes**

Holders of Book-Entry Interests in a Rule 144A Global Note or Reg S Global Note will be entitled to receive Definitive Notes in registered form (**Definitive Notes**) in exchange for their respective holdings of Book-Entry Interests if (a) (i) in the case of Global Notes cleared by DTC, DTC has notified the Issuer that it is at any time unwilling or unable to continue as holder of the Rule 144A Global Notes or is at any time unwilling or unable to continue as, or ceases to be, a clearing agency registered under the Exchange Act, and a successor to DTC registered as a clearing agency under the Exchange Act is not able to be appointed by the Issuer within 90 days of such notification or (ii) in the case of Global Notes cleared by Euroclear and Clearstream, Luxembourg, both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business and do so cease to do business and no alternative clearing system satisfactory to the Trustee is available or (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political subdivision thereof) or of any authority therein or thereof having power to tax or in the interpretation of such laws or regulations by a revenue authority or a court or in the administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required were the Notes in definitive form. The Class C Note will be issued as a Definitive Note on the Closing Date.

Any Definitive Notes issued in exchange for Book-Entry Interests in a Global Note will be registered by the Registrar or the U.S. Registrar, as applicable, in such name or names as the Issuer shall instruct the Registrar or the U.S. Registrar, as applicable, based on the instructions of Euroclear or Clearstream, Luxembourg or the U.S. Paying Agent based on the instructions of DTC, as applicable. It is expected that such instructions will be based upon directions received by Euroclear, Clearstream, Luxembourg or DTC, as applicable, from their Participants with respect to ownership of the relevant Book-Entry Interests. Holders of Definitive Notes issued in exchange for Book-Entry Interests in a Global Note will not be entitled to exchange such Definitive Notes for Book-Entry Interests in a Global Note. Any Notes issued in definitive form will be issued in registered form only and will be subject to the provisions set forth under “*Transfer Restrictions*” in this Prospectus; provided that no transfer shall be registered for a period of 15 days immediately preceding any Payment Date, or, as the case may be, the due date for redemption. Definitive Notes will only be issued in permitted integral multiples of the Minimum Denomination or for any amount in excess thereof. A Noteholder who holds a principal amount of less than the Minimum Denomination may not receive a Definitive Note in respect of such holding (should Definitive Notes be issued) and would need to purchase a principal amount of Notes such that its holding amounts to the Minimum Denomination.

## **Reports**

So long as the Notes are listed on the Official List and traded on the regulated market of the Irish Stock Exchange and the rules of the Irish Stock Exchange so permit, all notices relating to the Class A Notes and the Class B Notes shall be published by delivery to the applicable clearing system. Any such notice shall be deemed to have been given to all Class A Noteholders and Class B Noteholders, as applicable, on the same



day that such notice was delivered to the applicable clearing system. Notices relating to the Notes may also be published on the announcements section of the website of the Irish Stock Exchange, on the applicable page of the Reuters screen, Bloomberg screen or any other medium for electronic display of data as may be approved by the Trustee. See also Condition 13 (*Form of Notices*) of the Notes.

## TERMS AND CONDITIONS OF THE NOTES

A summary of certain defined terms and their meanings is set out in the section of this Prospectus marked “Glossary of Defined Terms”, subject always to the provisions of the Transaction Documents.

The following are the terms and conditions applicable to the Notes.

The \$400,000,000 Class A1 asset backed floating rate notes due 2024 (the **Class A1 Notes**), the £245,000,000 Class A2 asset backed floating rate notes due 2024 (the **Class A2 Notes** and, together with the Class A1 Notes, the **Class A Notes**), the £15,000,000 1.5 per cent. Class B asset backed fixed rate notes due 2024 (the **Class B Notes**) and the £36,000,000 2.0 per cent. Class C asset backed fixed rate notes due 2024 (the **Class C Note** and, together with the Class A Notes and the Class B Notes, the **Notes**) are constituted by a trust deed (the **Trust Deed**) dated on or about 20 September 2017 (the **Closing Date**) between Motor 2017-1 PLC (the **Issuer**) and U.S. Bank National Association (the **Trustee**, which expression will include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for, *inter alios*, the holders of the Notes (the **Noteholders**).

The Notes are secured pursuant to and on the terms set out in a deed of charge (the **Deed of Charge**) dated on or about the Closing Date between, *inter alios*, the Issuer and the Trustee on the Security created thereunder, which Security includes, without limitation, security over the Issuer’s rights, title, interest and benefit, present and future, in, under and to an agency agreement (the **Agency Agreement**) dated on or about the Closing Date between the Issuer, the Trustee, Elavon Financial Services DAC, UK Branch, as principal paying agent (in such capacity, the **Principal Paying Agent**, which expression shall include its permitted successors and assigns), as calculation agent (in such capacity, the **Calculation Agent**, which expression will include its permitted successors and assigns) and as agent bank (in such capacity, the **Agent Bank**, which expression will include its permitted successors and assigns), Elavon Financial Services DAC, as registrar (in such capacity, the **Registrar**, which expression will include its permitted successors and assigns) and U.S. Bank National Association as U.S. paying agent (in such capacity, the **U.S. Paying Agent**, which expression will include its permitted successors and assigns) and as U.S. registrar (in such capacity, the **U.S. Registrar**, which expression will include its permitted successors and assigns).

Payments under the Notes will be made in accordance with the Agency Agreement.

References to each of the Transaction Documents are to the relevant Transaction Document as from time to time modified in accordance with its provisions and/or any deed or document expressed to be supplemental to it, as from time to time so supplemented.

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

The issue of the Notes was authorised by a resolution of the board of directors of the Issuer passed on 30 August 2017.

### 1. Form and Denomination

- (a) Motor 2017-1 PLC, incorporated with limited liability in England and Wales under company registration number 10862075 with its registered office at 35 Great St. Helen’s, London EC3A 6AP, United Kingdom, issues the following classes of asset-backed notes in registered form (each, a **Class**) pursuant to these Conditions:

- (i) Class A1 Notes, issued in Minimum Denominations of \$250,000 and integral multiples of \$1,000 in excess thereof;
- (ii) Class A2 Notes and Class B Notes, issued in Minimum Denominations of £100,000 and integral multiples of £1,000 in excess thereof; and
- (iii) a Class C Note, issued in a Minimum Denomination of £100,000 and integral multiples of £1 in excess thereof.

The Notes will be issued on the Closing Date.

- (b) The aggregate nominal amount of each Class initially offered and sold outside the United States to non-U.S. persons pursuant to Regulation S (**Reg S**) under the United States Securities Act of 1933, as amended (the **Securities Act**) is represented by one or more global registered notes in fully registered form (the **Reg S Global Notes**) without coupons attached. The aggregate nominal amount of the Rule 144A Notes initially offered and sold within the United States to persons who are “qualified institutional buyers” as defined in, and in reliance on, Rule 144A under the Securities Act (**Rule 144A**), in transactions made in accordance with Rule 144A, is represented by one or more global registered notes in fully registered form without coupons attached (the **Rule 144A Global Notes** and together with the Reg S Global Notes, the **Global Notes**). References herein to the **Notes** shall include (i) in relation to any Notes of a Class represented by a Global Note or Global Notes, units of the Minimum Denomination of such Class, (ii) any Global Note and (iii) any Definitive Note (whether or not issued in exchange for a Global Note).
- (c) For so long as any Notes are represented by a Global Note, transfers and exchanges of beneficial interests in such Global Notes and entitlement to payments thereunder will be effected subject to and in accordance with the rules and procedures from time to time of, with respect to the Rule 144A Global Notes representing the Class A1 Global Notes, the Depository Trust Company (**DTC**), or, with respect to the Reg S Global Notes representing the Class A1 Global Notes and the Rule 144A Global Notes representing the Class A2 Notes and the Class B Notes, Euroclear Bank S.A./N.V. (**Euroclear**) or Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**).
- (d) For so long as the Notes are represented by a Global Note and DTC, Euroclear and Clearstream, Luxembourg so permit, the Notes shall be tradeable only in Minimum Denominations (in respect of the Class A2 Notes, the Class B Notes and the Class C Note) of £100,000 and integral multiples of £1,000 (or £1, in relation to the Class C Note) in excess thereof and in Minimum Denominations (in respect of the Class A1 Notes) of \$250,000 and integral multiples of \$1,000 in excess thereof.
- (e) Definitive Notes in an aggregate principal amount equal to the aggregate nominal amount of the Reg S Global Notes (the **Definitive Reg S Notes**) and the Rule 144A Global Notes (the **Definitive Rule 144A Notes**) and, together with the Definitive Reg S Notes, the **Definitive Notes**) will be issued in registered form and serially numbered in the circumstances referred to below. Definitive Notes, if issued, will be issued in the Minimum Denominations (in respect of the Class A2 Notes, the Class B Notes and the Class C Note) of £100,000 and integral multiples of £1,000 (or £1, in relation to the Class C Note) in excess thereof and in Minimum Denominations (in respect of the Class A1 Notes) of \$250,000 and integral multiples of \$1,000 in excess thereof.
- (f) If, while any Notes are represented by a Global Note:
  - (i) in the case of a Global Note held on behalf of DTC, at any time DTC notifies the Issuer that it is unable or unwilling to discharge properly its responsibilities as

depository with respect to the Global Notes or DTC ceases to be a “clearing agency” registered under the Exchange Act, or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC;

- (ii) in the case of a Global Note held in Euroclear or Clearstream, Luxembourg, Euroclear or Clearstream, Luxembourg are closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business or do so cease business and no alternative clearing system satisfactory to the Trustee is available; or
- (iii) as a result of any amendment to or change in (A) the laws or regulations of the United Kingdom (or any political subdivision thereof) or of any authority therein or thereof having power to tax or (B) the interpretation of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or the Principal Paying Agent is or will be required to make any deduction or withholding for or on account of tax from any payment in respect of the Notes which would not be required were the Notes in definitive form,

then the Issuer will, within 30 calendar days of the occurrence of the relevant event, issue individually registered holdings of Notes evidenced by serially numbered note certificates, where applicable, in definitive form in exchange for the whole outstanding interest in the Global Note.

Neither the Registrar nor the U.S. Registrar, as applicable, will register the transfer of, or exchange of, interests in the Global Note for individual holdings of Notes represented by individual certificates for a period of 15 calendar days ending on the date for any payment of principal or interest in respect of the Notes.

In such circumstances, the relevant Global Note shall be exchanged in full for individual holdings of Notes represented by individual certificates and the Issuer will, at the cost of the Issuer (but against such indemnity as the Registrar or the U.S. Registrar, as applicable, may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient individual certificates to be executed and delivered to the Registrar or the U.S. Registrar, as applicable, for completion, effectuation and dispatch to the relevant Noteholders. A person having an interest in a Global Note must provide the Registrar or the U.S. Registrar, as applicable, with a written order containing instructions and such other information as the Issuer and the Registrar or the U.S. Registrar, as applicable, may require to register its individual holding of Notes and complete, execute and deliver an individual certificate representing such holding.

- (a) The holder of Notes represented by an individual certificate may transfer such Notes in whole or in part in the applicable Minimum Denomination by surrendering the relevant certificate at the specified office of the Registrar or the U.S. Registrar, as applicable, together with the completed form of transfer thereon. Upon the transfer of the Notes, or the exchange or replacement of an individual certificate, any legends or restrictions set forth therein are required to be complied with at all times.
- (b) Each Reg S Global Note shall be manually signed by or on behalf of the Issuer and shall be effectuated by the Registrar and each Rule 144A Global Note shall be manually signed by or on behalf of the Issuer and shall be effectuated by the Registrar or the U.S. Registrar, as applicable.
- (c) The aggregate nominal amount of the Class A1 Notes represented by the Class A1 Global Notes, the Class A2 Notes represented by the Class A2 Global Notes and the Class B Notes represented by the Class B Global Notes shall be the aggregate amount from time to time

entered in the records of DTC and of both Euroclear and Clearstream, Luxembourg, as applicable. Absent errors, the records of DTC, Euroclear and Clearstream, Luxembourg (meaning the records that each of DTC, Euroclear and Clearstream, Luxembourg holds for its customers which reflect the amount of such customer's interest in the Class A1 Notes, the Class A2 Notes and the Class B Notes) shall be conclusive evidence of the aggregate nominal amount of Class A1 Notes represented by the Class A1 Global Notes, the Class A2 Notes represented by the Class A2 Global Notes and the Class B Notes represented by the Class B Global Notes and, for these purposes, a statement issued by DTC, Euroclear or Clearstream, Luxembourg, as applicable, stating the aggregate nominal amount of Notes so represented at any time shall be conclusive evidence of the records of DTC, Euroclear and Clearstream, Luxembourg (as applicable) at that time.

- (d) On any redemption or payment of interest in respect of any of the Class A1 Notes represented by the Class A1 Global Notes, the Class A2 Notes represented by the Class A2 Global Notes or the Class B Notes represented by the Class B Global Notes, the Issuer shall procure that details of any redemption or payment (as the case may be) in respect of Notes represented by the relevant Class A1 Global Note, the relevant Class A2 Global Note or the relevant Class B Global Note (as the case may be) shall be entered *pro rata* in the records of DTC, Euroclear or Clearstream, Luxembourg (as applicable) and, in relation to any such redemption, upon any such entry being made, the aggregate nominal amount of the Notes recorded in the records of DTC, Euroclear or Clearstream, Luxembourg and represented by the relevant Class A1 Global Note, the relevant Class A2 Global Note or the relevant Class B Global Note (as the case may be) shall be reduced by the aggregate nominal amount of the Notes so redeemed.
- (e) The aggregate nominal amount of the Class C Note shall be the aggregate amount from time to time entered in the records of the Registrar. Absent manifest errors, the records of the Registrar shall be conclusive evidence of the aggregate nominal amount of the Class C Note and, for these purposes, a statement issued by the Registrar stating the aggregate nominal amount of the Class C Note so represented at any time shall be conclusive evidence of the records of the Registrar at that time.
- (f) On any redemption or payment of interest in respect of the Class C Note, the Issuer shall procure that details of any redemption or payment (as the case may be) in respect of the Class C Note shall be entered in the records of the Registrar and in relation to any such redemption, upon any such entry being made, the aggregate nominal amount of the Class C Note recorded in the records of the Registrar, shall be reduced by the aggregate nominal amount of the Class C Note so redeemed.
- (g) Copies of the Global Notes are available free of charge at the main offices of the Issuer and of the Principal Paying Agent during normal business hours.

## **2. Status and Priority**

- (a) The Notes constitute direct, secured and (subject to Condition 3.2 (*Limited Recourse*)) unconditional obligations of the Issuer only.
- (b) Prior to the delivery of an Enforcement Notice, the obligations of the Issuer under the Class A Notes rank *pari passu* without any preference among themselves in respect of security, in accordance with the Pre-Enforcement Priority of Payments. Following the delivery of an Enforcement Notice, the obligations of the Issuer under the Class A Notes rank ahead of all other current and future obligations of the Issuer in respect of the Class B Notes and the Class C Note in accordance with the Post-Enforcement Priority of Payments. The obligations of the Issuer under the Class B Notes rank *pari passu* among themselves in respect of security prior to the delivery of an Enforcement Notice. Following the delivery of an Enforcement Notice, the obligations of the Issuer under the Class B Notes rank ahead of all other current and future

obligations of the Issuer in respect of the Class C Note in accordance with the Post-Enforcement Priority of Payments. The obligations of the Issuer under the Class C Note rank *pari passu* among themselves in respect of security prior to the delivery of an Enforcement Notice.

- (c) *Priority of Interest Payments:* Payments of interest on the Class A Notes will at all times rank in priority to payments of interest of the Class B Notes and the Class C Note, in accordance with the Pre-Enforcement Priority of Payments. Payments of interest on the Class B Notes will at all times rank in priority to payments of interest of the Class C Note, in accordance with the Pre-Enforcement Priority of Payments. Payments of interest on the Class A1 Notes (other than Currency Swap Deferred Interest Amounts, if any) and the Class A2 Notes will rank *pari passu* and *pro rata*.
- (d) *Priority of Principal Payments:* Payments of principal on the Class A Notes will rank at all times in priority to payments of principal on the Class B Notes and the Class C Note. Payments of principal on the Class B Notes will rank at all times in priority to payments of principal on the Class C Note. On and following the Class A1 Amortisation Commencement Date, but prior to a Principal Payment Trigger Event or the service of an Enforcement Notice, payments of principal on the Class A1 Notes will rank in priority to payments of principal on the Class A2 Notes in accordance with the Pre-Enforcement Priority of Payments. On and from the occurrence of a Principal Payment Trigger Event or following the service of an Enforcement Notice, payments of principal on the Class A1 Notes and the Class A2 Notes will rank *pari passu* and *pro rata* in accordance with the Pre-Enforcement Priority of Payments (on or after a Principal Payment Trigger Event) and, following the service of an Enforcement Notice, in accordance with the Post-Enforcement Priority of Payments.

### **3. Provision of Security; Limited Payment Obligation; Issuer Event of Default**

#### **3.1 Security**

Pursuant to the Deed of Charge, the Issuer has assigned or charged its rights, interests and claims in all Purchased Receivables and the Related Collateral transferred by the Seller to it under or pursuant to the Receivables Sale Agreement, all of its rights and claims arising under the Transaction Documents to which the Issuer is a party and all of its rights, claims and interests in or in relation to any amounts standing to the credit of the Charged Accounts and certain other rights specified in the Deed of Charge as Security for the Notes and other obligations specified in the Deed of Charge.

#### **3.2 Limited Recourse**

If at any time following:

- (a) the occurrence of either:
  - (i) the Legal Maturity Date or any earlier date upon which all of the Notes of each Class are due and payable in full; or
  - (ii) the service of an Enforcement Notice; and
- (b) Realisation of the Security and application in full of any amounts available to pay amounts due and payable under the Notes in accordance with the applicable Priority of Payments,

the proceeds of such Realisation are insufficient, after payment of all other claims ranking in priority in accordance with the applicable Priority of Payments, to pay in full all amounts then due and payable in respect of the Notes in accordance with the applicable Priority of Payments then the amount remaining to be paid (after such application in full of the amounts first referred to in

paragraph (b) above) in respect of the Notes shall, on the day following such application in full of the amounts first referred to in paragraph (b) above, cease to be due and payable by the Issuer.

For the purposes of this Condition 3.2 (*Limited Recourse*), **Realisation** means, in relation to any Security, the deriving, to the fullest extent practicable, (in accordance with the provisions of the Transaction Documents) of proceeds from or in respect of such Security including (without limitation) through sale or through performance by a Customer.

### 3.3 *Exclusion of Other Limited Recourse*

Notwithstanding anything to the contrary in the Transaction Documents, no provision in any Transaction Document other than Condition 3.2 (*Limited Recourse*) shall limit or in any way reduce the amount of interest that would otherwise be payable by the Issuer under any Note, if and to the extent that such limitation or reduction falls to any extent to be determined by reference to the results of any business or part of a business or the value of any property.

### 3.4 *Enforcement of Payment Obligations*

The enforcement of the payment obligations under the Notes shall only be effected by the Trustee for the benefit of the Noteholders, **provided that** each Noteholder shall be entitled to proceed directly against the Issuer in the event that the Trustee, after having become obliged to do so in accordance with the terms of the Trust Deed or the Deed of Charge, fails to take action within a reasonable time period and such failure continues.

### 3.5 *Enforcement of the Security*

The Security will become enforceable upon the delivery of an Enforcement Notice in accordance with Condition 3.8 (*Issuer Event of Default*), and subject to the matters referred to in Condition 3.6 (*Enforcement*).

### 3.6 *Enforcement*

(a) *Proceedings*: The Trustee may, at its discretion and without notice, institute such proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Notes of each Class and under the other Transaction Documents, but it shall not be bound to do so unless:

- (i) so requested in writing by the holders of more than 25 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class; or
- (ii) so directed by an Extraordinary Resolution of the Noteholders of the Controlling Class,

and, in any such case, only if it shall have been indemnified and/or prefunded and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

(b) *Directions to the Trustee*: If the Trustee shall, at its discretion, take any action described in paragraph (a) above, it may take such action without having regard to the effect of such action on individual Noteholders or any other Secured Creditor, **provided that** so long as the Controlling Class is outstanding, the Trustee shall not, and shall not be bound to, act unless:

- (i) to do so would not, in its opinion, be materially prejudicial to the interests of the holders of the Controlling Class; or

- (ii) such action is sanctioned by an Extraordinary Resolution of the holders of the Controlling Class.

### 3.7 *Obligations of the Issuer Only*

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

### 3.8 *Issuer Event of Default*

If any of the following Issuer Events of Default occurs, the Trustee may in its absolute discretion, and if so directed by an Extraordinary Resolution of the holders of the Controlling Class or so requested in writing by the holders of at least 25 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class shall (subject, in each case, to being indemnified and/or prefunded and/or secured to its satisfaction), give a notice (an **Enforcement Notice**) to the Issuer copied to the Account Bank and the Principal Paying Agent declaring the Notes to be due and payable, and each Note will accordingly forthwith become immediately due and payable at its Note Principal Amount Outstanding together with accrued but unpaid interest (if any).

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

- (i) the Issuer is deemed unable to pay its debts within the meaning of section 123(1)(b), (c) or (d) of the Insolvency Act (as that section may be amended) or becomes unable to pay its debts as they fall due or the Issuer is wound up (except for a voluntary winding-up by its shareholders) or an order is made or an effective resolution is passed for the winding-up of the Issuer or the Issuer initiates or consents or otherwise becomes subject to liquidation, examinership, insolvency, reorganisation or similar proceedings under any applicable law;
- (ii) the Issuer (a) defaults in the payment of any Set Interest Amount due on the Notes of the Controlling Class when the same becomes due and payable to a Swap Counterparty or the Principal Paying Agent (as applicable) on any Payment Date and such default continues for a period of five Business Days or more or (b) defaults on the payment of any principal due in respect of any Notes of the Controlling Class when the same becomes due and payable to a Swap Counterparty or the Principal Paying Agent (as applicable) and such default continues for a period of five Business Days or more, provided that such a failure to pay principal on the Class C Note or, prior to the Legal Maturity Date, on the Class A Notes or the Class B Notes, will only constitute an Issuer Event of Default if the Available Distribution Amount as at the immediately preceding Calculation Date would have been sufficient to pay such amounts in full in accordance with the applicable Priority of Payments;
- (iii) the Issuer fails to perform or comply with any one or more of its other obligations (other than a failure to perform or comply with obligations which failure, in the opinion of the Trustee, is not materially prejudicial to the interests of the Noteholders of any Class) and (except where such failure is not capable of remedy when no such notice as is hereinafter referred to will be required) such failure continues for more than 30 calendar days (or such longer period as the Trustee at the direction of the Controlling Class (acting by Extraordinary Resolution) may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (iv) a distress, execution, attachment, diligence or other legal process is levied or enforced upon or sued out against all or any substantial part of the assets of the Issuer and is, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders of any Class, and not discharged or does not otherwise cease to apply within 30 calendar days of being levied, enforced or sued out or legal proceedings are commenced for any of the aforesaid, or the



Issuer makes a conveyance, assignation, trust or assignment for the benefit of its creditors generally.

#### **4. General Covenants of the Issuer**

##### *4.1 Restrictions on Activities*

The Issuer Covenants contain certain covenants in favour of the Trustee from the Issuer which, among other things, restrict the ability of the Issuer to create or incur any indebtedness, dispose of assets or change the nature of its business. So long as any Note remains outstanding, the Issuer shall comply with the Issuer Covenants.

##### *4.2 Appointment of Trustee*

As long as any Notes are outstanding, the Issuer shall ensure that a trustee is appointed at all times who undertakes the same functions and obligations as the Trustee pursuant to these Conditions, the Trust Deed and the Deed of Charge.

#### **5. Payments on the Notes**

##### *5.1 Payment Dates*

Payments of interest and, in accordance with the provisions herein, principal in respect of the Notes to the Noteholders shall become due and payable monthly on the 25th day of each calendar month or, if such day is not a Business Day, on the next succeeding Business Day unless such day would thereby fall into the next calendar month, in which case the payment will be made on the immediately preceding Business Day in the same calendar month, commencing on 25 October 2017 (each such day, a **Payment Date**). **Business Day** shall mean a day on which commercial banks and foreign exchange markets are open or required to be open for business in New York, London, England and Dublin, Ireland.

##### *5.2 Note Principal Amount*

Payments of principal and interest on each Note on any Payment Date shall be made in the Applicable Currency. Payments of interest in respect of each Note shall be made on the Note Principal Amount Outstanding of such Note. The Note Principal Amount Outstanding of any Note as at any date shall equal the initial Note Principal Amount Outstanding of such Note as reduced by all amounts paid prior to such date on such Note in respect of principal.

##### *5.3 Payments and Discharge*

- (a) Payments of principal and interest in respect of:
  - (i) Rule 144A Global Notes representing the Class A1 Notes shall be made by the Issuer on the relevant Payment Date, through the Principal Paying Agent to the U.S. Paying Agent for payment to, or to the order of, DTC for credit to the relevant participants in DTC for subsequent transfer to the holders of the beneficial interests in the Rule 144A Notes representing the Class A1 Notes;
  - (ii) Reg S Global Notes representing the Class A Notes and the Class B Notes and Rule 144A Global Notes representing the Class A2 Notes and the Class B Notes shall be made by the Issuer, through the Principal Paying Agent, on the relevant Payment Date to, or to the order of, Euroclear or Clearstream, Luxembourg, for credit to the relevant participants in Euroclear or Clearstream, Luxembourg for subsequent transfer to the holders of beneficial interests in the Reg S Global Notes representing

the Class A Notes and the Class B Notes and Rule 144A Global Notes representing the Class A2 Notes and the Class B Notes; and

- (iii) the Class C Note shall be made by the Issuer, through the Principal Paying Agent, on the Payment Date to, or to the order of, the Class C Noteholder.
- (b) All payments made by the Issuer in accordance with paragraph (a) of this Condition 5.3 (*Payments and Discharge*) shall discharge the liability of the Issuer under the relevant Notes to the extent of the sums so paid to the relevant Paying Agent. Any failure to make the entries in the records of DTC in respect of the Rule 144A Global Notes representing the Class A1 Notes and/or Euroclear or Clearstream, Luxembourg in respect of the Rule 144A Global Notes representing the Class A2 Notes and the Class B Notes and the Reg S Global Notes representing the Class A Notes and the Class B Notes and entries in the records of the Registrar in respect of the Class C Note, as applicable, shall not affect the discharge referred to in the preceding sentence.

#### 5.4 *Method of Payment*

Subject to the provisions of this Condition 5 (*Payments on the Notes*), payments of interest and principal in respect of each Note will be made to the holder (or the first named holder in the case of joint holders) of such Note appearing on the Register at the close of business at the Record Date preceding the relevant Payment Date.

### 6. **Payments of Interest**

#### 6.1 *Interest Calculation*

- (a) Subject to the limitations set forth in Condition 3.2 (*Limited Recourse*) and, in particular, subject to the Pre-Enforcement Priority of Payments or, following the delivery of an Enforcement Notice, the Post-Enforcement Priority of Payments, the Notes shall bear interest on the applicable Note Principal Amount Outstanding from the Closing Date until the close of the day preceding the day on which such Notes have been redeemed in full (both days inclusive).
- (b) The Interest Amount shall be calculated by applying the relevant Interest Rate (as described in Condition 6.3 (*Interest Rate*)), for the relevant Interest Period (as described in Condition 6.2 (*Interest Period*)), to the Note Principal Amount Outstanding on the immediately preceding Payment Date (after taking account of any payment made on such date) and in relation to the Class A1 Notes, multiplying the result by the actual number of days in the relevant Interest Period divided by 360 and rounding the result to the nearest \$0.01 (with \$0.005 being rounded upwards), and, in relation to the Class A2 Notes, the Class B Notes and the Class C Note, multiplying the result by the actual number of days in the relevant Interest Period divided by 365 and rounding the result to the nearest £0.01 (with £0.005 being rounded upwards).

#### 6.2 *Interest Period*

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

#### 6.3 *Interest Rate*

- (a) The Interest Rate payable on the Notes for each Interest Period shall be:

- (i) in the case of the Class A1 Notes, 1-month USD LIBOR plus 0.53 per cent. per annum,
- (ii) in the case of the Class A2 Notes, 1-month GBP LIBOR plus 0.45 per cent. per annum,
- (iii) in the case of the Class B Notes, 1.5 per cent. per annum, and
- (iv) in the case of the Class C Note, 2.0 per cent. per annum.

**GBP LIBOR** shall mean, in relation to the Class A2 Notes, for each Interest Period the rate for deposits in Sterling for a period of 1 month (or with respect to the first Interest Period the linear interpolation between 1 month and 2 months) which appears on Reuters page LIBOR01 (or such other page as may replace such page on that service for the purpose of displaying London inter-bank offered rate quotations of major banks) at 11:00 a.m. (London time) on the first day of such Interest Period (each, a **GBP LIBOR Determination Date**), all as determined by the Calculation Agent. If Reuters Page LIBOR01 is not available or if no such quotation appears thereon, in each case as at such time, the Calculation Agent shall request the principal London office of the Reference Banks selected by it (after consultation with the Class A Swap Counterparty) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for deposits in Sterling at approximately 11:00 a.m. (London time) on the relevant GBP LIBOR Determination Date to prime banks in the London inter-bank market for the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time. If two or more of the selected Reference Banks provide the Calculation Agent with such offered quotations, GBP LIBOR for such Interest Period shall be the arithmetic mean of such offered quotations (rounded if necessary to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards). If on the relevant GBP LIBOR Determination Date fewer than two of the selected Reference Banks provide the Calculation Agent with such offered quotations, GBP LIBOR for such Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards) of the rates communicated to (and at the request of) the Calculation Agent by major banks in London, selected by the Calculation Agent (after consultation with the Class A Swap Counterparty), at approximately 11:00 a.m. (London time) on such GBP LIBOR Determination Date for loans in Sterling to leading European banks for such Interest Period and in an amount that is representative for a single transaction in that market at that time.

In the event that the Calculation Agent is on any GBP LIBOR Determination Date required but unable for whatever reason to determine GBP LIBOR for the relevant Interest Period in accordance with the above, GBP LIBOR for such Interest Period shall be GBP LIBOR as determined on the previous GBP LIBOR Determination Date (as applicable).

**USD LIBOR** shall mean, in relation to the Class A1 Notes for each Interest Period, the rate for deposits in Dollars for a period of 1 month (or with respect to the first Interest Period the linear interpolation between 1 month and 2 months) which appears on Reuters page LIBOR01 (or such other page as may replace such page on that service for the purpose of displaying London inter-bank offered rate quotations of major banks) at 11:00 a.m. (London time) two London Business Days prior to the first day of the related Interest Period (each, a **USD LIBOR Determination Date**), all as determined by the Calculation Agent. If Reuters Page LIBOR01 is not available or if no such quotation appears thereon, in each case as at such time, the Calculation Agent shall request the principal London office of the Reference Banks selected by it (after consultation with the Class A1 Swap Counterparty) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for deposits in Dollars at approximately 11:00 a.m. (London time) on the relevant USD LIBOR

Determination Date to prime banks in the London inter-bank market for the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time. If two or more of the selected Reference Banks provide the Calculation Agent with such offered quotations, USD LIBOR for such Interest Period shall be the arithmetic mean of such offered quotations (rounded if necessary to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards). If on the relevant USD LIBOR Determination Date fewer than two of the selected Reference Banks provide the Calculation Agent with such offered quotations, USD LIBOR for such Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards) of the rates communicated to (and at the request of) the Calculation Agent by major banks in New York City, selected by the Calculation Agent (after consultation with the Class A1 Swap Counterparty), at approximately 11:00 a.m. (New York City time) on the first day of the related Interest Period for loans in Dollars to leading European banks for such Interest Period and in an amount that is representative for a single transaction in that market at that time.

In the event that the Calculation Agent is on any USD LIBOR Determination Date required but unable for whatever reason to determine USD LIBOR for the relevant Interest Period in accordance with the above, USD LIBOR for such Interest Period shall be USD LIBOR as determined on the previous USD LIBOR Determination Date or on the first day of the related Interest Period (as applicable).

**Reference Banks** shall mean four major banks in the London inter-bank market selected by the Calculation Agent.

#### 6.4 *Determinations*

The Agent Bank shall, as soon as practicable on or after each USD LIBOR Determination Date in relation to the Class A1 Notes and on or after each GBP LIBOR Determination Date in relation to the Class A2 Notes, and in accordance with the relevant provisions of the Agency Agreement, determine the relevant Interest Period, Interest Rate, Interest Amount and Payment Date.

For the avoidance of doubt, where the Interest Rate applicable to the Class A1 Notes or the Class A2 Notes for any Interest Period is determined to be less than zero, the Interest Rate for such Interest Period shall be zero.

#### 6.5 *Interest payments*

Interest on each Note is payable in the Applicable Currency in arrear on each Payment Date commencing on the First Payment Date in an amount equal to the Interest Amount in respect of such Note for the Interest Period ending on (but excluding) such Payment Date.

#### 6.6 *Interest Accrual*

- (a) On each Payment Date, Interest Amounts shall be due and payable on each Class of Notes. However, subject to paragraphs (b) to (g) below, the Issuer shall only be obliged to pay the Set Interest Amount on a Payment Date (i) in relation to the Class A1 Notes, to the Class A1 Swap Counterparty or, if there is no swap counterparty for the Class A1 Notes, to the Cash Administrator and the Cash Administrator shall convert such amount into Dollars at the Spot Rate and pay such Dollar amount to the Principal Paying Agent for the purposes of payments by the U.S. Paying Agent to the Class A1 Noteholders, (ii) in relation to the Class A2 Notes, the Class B Notes and the Class C Note, to the Principal Paying Agent for the purposes of payments by the Principal Paying Agent to the Class A2 Noteholders, the Class B Noteholders and the Class C Noteholder.

- (b) To the extent the Issuer has insufficient funds to pay the Set Interest Amount due and payable on the Class C Note on a Payment Date (for so long as the Class C Note is not the Controlling Class), or to the extent that the Issuer has paid the Set Interest Amount on any Class of the Notes on a Payment Date to a Swap Counterparty or Principal Paying Agent (as applicable) and any such entity has failed to make the equivalent payment in full to the applicable Paying Agent or the Noteholders (as applicable), respectively, the amount of such shortfall or non-payment will be deferred until the next Payment Date on which funds are available (after allowing for the Issuer's liabilities of higher priority and subject to and in accordance with these Conditions) to make such payments in accordance with the relevant Priority of Payments, and the Interest Amount scheduled to be paid on such Payment Date for any affected Class of Notes will be increased by the amount of any such deferral. For the avoidance of doubt, payments by the Issuer of Set Interest Amounts to a Swap Counterparty or to the Principal Paying Agent on the Class A Notes and the Class B Notes cannot be deferred.
- (c) In respect of the Class A1 Notes only, if the Class A1 Swap has been terminated and no replacement swap has been entered into, then, on each Payment Date prior to the delivery of an Enforcement Notice:
- (i) to the extent that, on such Payment Date, the relevant Set Interest Amount payable by the Issuer on the Class A1 Notes on such Payment Date (once converted into Dollars at the Spot Rate by the Cash Administrator) is insufficient to pay the Interest Amount due and payable on the Class A1 Notes on such Payment Date, the shortfall amounts (such amounts being **Currency Swap Deferred Interest Amounts**) shall be paid *firstly*, from any Currency Swap Excess Amounts available to pay Currency Swap Deferred Interest Amounts and *secondly*, from the Available Distribution Amount as a subordinated item in the Pre-Enforcement Priority of Payments, with the payment of any remainder being deferred until a Payment Date when there are either Currency Swap Excess Amounts or funds under the Pre-Enforcement Priority of Payments available to pay such Currency Swap Deferred Interest Amounts; and
  - (ii) to the extent that, on such Payment Date, the Set Interest Amount payable by the Issuer on the Class A1 Notes on such Payment Date (once converted into Dollars at the Spot Rate by the Cash Administrator) is greater than the Interest Amount due and payable on such Class A1 Notes, the excess amounts (such amounts being **Currency Swap Excess Interest Amounts**) shall be used to pay *firstly* Currency Swap Deferred Interest Amounts and *secondly*, Currency Swap Deferred Principal Amounts, with any excess being transferred to the Class A1 Swap Reserve Account for application (subject to the terms of the Transaction Documents) on subsequent Payment Dates to pay *firstly* Currency Swap Deferred Interest Amounts and *secondly*, Currency Swap Deferred Principal Amounts or towards the purchase, on any future date, of a replacement currency swap for the Class A1 Notes.
- (d) In respect of the Class A1 Notes only, if the Class A1 Swap has been terminated and no replacement swap entered into, then on a Payment Date on or after the delivery of an Enforcement Notice, any outstanding Currency Swap Deferred Interest Amounts (and any Additional Interest in respect of such Currency Swap Deferred Interest Amounts) shall be paid in accordance with the Post-Enforcement Priority of Payments.
- (e) In respect of the Class A1 Notes only, upon the termination of the Class A1 Swap and the subsequent entry into a replacement swap, no new Currency Swap Deferred Interest Amounts or Currency Swap Excess Interest Amounts will arise and any then existing Currency Swap Excess Interest Amounts will form part of the Available Distribution Amount for the related Payment Date (following payment on such Payment Date of any outstanding Currency Swap

Deferred Amounts in accordance with paragraph (c) above) and will be paid in accordance with the relevant Priority of Payments.

- (f) Interest Amounts which are deferred (including, for the avoidance of doubt, Currency Swap Deferred Interest Amounts) or otherwise not paid on the relevant Payment Date, will accrue interest (**Additional Interest**) at the rate of interest applicable to the related Notes from time to time. Payment of any Additional Interest will also be deferred until the first Payment Date thereafter on which the Available Distribution Amount or, with respect to the Class A1 Notes and any Currency Swap Deferred Interest Amounts only, Currency Swap Excess Interest Amounts, are available to the Issuer to pay such Additional Interest in accordance with the relevant Priority of Payments. For the avoidance of doubt, Additional Interest that accrues on Currency Swap Deferred Interest Amounts may be paid as if such Additional Interest were itself Currency Swap Deferred Interest Amounts including from, but not limited to, funds held in the Class A1 Swap Reserve Account.
- (g) Payments of Interest Amounts and any Additional Interest thereon shall not be deferred beyond the Legal Maturity Date or beyond any earlier date on which the relevant Class of Notes fails to be redeemed in full following the giving of an Enforcement Notice or in accordance with Condition 7 (*Redemption*) and any such amount which has not then been paid in respect of the relevant Class of Notes shall thereupon become due and payable in full.

#### 6.7 *Default Interest*

If payment of the whole or any part of the Note Principal Amount Outstanding due in respect of any Note is improperly withheld or refused when due, interest shall accrue in accordance with Clause 6.4 (*Default interest*) of the Trust Deed.

### 7. **Redemption**

#### 7.1 *Scheduled Redemption*

Prior to a Principal Payment Trigger Event and on and from the Class A1 Amortisation Commencement Date, the Class A1 Notes are scheduled to be redeemed on the Payment Dates and in the amounts equal to the corresponding Expected Class A1 USD Amortisation Amount set out in the following Class A1 Amortisation Schedule:

| <b><u>Payment Date</u></b> | <b><u>Expected Class A1 USD Amortisation Amount</u></b> |
|----------------------------|---|
| Oct 2018                   | \$20,000,000  |
| Nov 2018                   | \$25,000,000  |
| Dec 2018                   | \$20,000,000  |
| Jan 2019                   | \$20,000,000  |
| Feb 2019                   | \$20,000,000  |
| Mar 2019                   | \$20,000,000  |
| Apr 2019                   | \$20,000,000  |
| May 2019                   | \$20,000,000  |
| Jun 2019                   | \$20,000,000  |
| Jul 2019                   | \$20,000,000  |
| Aug 2019                   | \$20,000,000  |
| Sept 2019                  | \$20,000,000  |
| Oct 2019                   | \$15,000,000  |
| Nov 2019                   | \$15,000,000  |
| Dec 2019                   | \$15,000,000  |
| Jan 2020                   | \$15,000,000  |
| Feb 2020                   | \$15,000,000  |
| Mar 2020                   | \$15,000,000  |

| <b><u>Payment Date</u></b> | <b><u>Expected Class A1 USD Amortisation Amount</u></b> |
|----------------------------|---|
| Apr 2020                   | \$15,000,000  |
| May 2020                   | \$15,000,000  |
| Jun 2020                   | \$10,000,000  |
| Jul 2020                   | \$10,000,000  |
| Aug 2020                   | \$10,000,000  |
| Sept 2020                  | \$5,000,000   |

in accordance with the Pre-Enforcement Priority of Payments.

A failure by the Issuer to pay the Expected Class A1 USD Amortisation Amount on any Payment Date other than the Legal Maturity Date shall not be an Issuer Event of Default.

Following the occurrence of a Principal Payment Trigger Event, the Expected Class A1 USD Amortisation Amount will equal the Note Principal Amount Outstanding of the Class A1 Notes.

## 7.2 *Amortisation*

On each Payment Date on or after the Revolving Period End Date and prior to the occurrence of a Principal Payment Trigger Event and prior to the delivery of an Enforcement Notice, the Notes will be subject to redemption, in accordance with the Pre-Enforcement Priority of Payments, as follows (A) in an aggregate amount equal to the excess of the Class A Notes Principal over the Class A Target Principal Amount, sequentially in the following order: *first*, on and following the Class A1 Amortisation Commencement Date, the Class A1 Notes in an amount equal to the Class A1 USD Amortisation Amount, and *second*, in respect of the Class A2 Notes, all remaining amounts of Class A Notes Principal in excess of the Class A Target Principal Amount not paid to the Class A1 Noteholders under first above, (B) the Class B Notes, in an amount equal to the excess of the Class B Notes Principal over the Class B Target Principal Amount, and (C) the Class C Note, in an amount equal to the excess of the Class C Note Principal over the Class C Target Principal Amount.

To the extent that on any Payment Date on or after the Revolving Period End Date and prior to the occurrence of a Principal Payment Trigger Event and prior to the delivery of an Enforcement Notice, the Expected Class A1 GBP Amortisation Amount, is greater than the Actual Class A1 GBP Amortisation Amount, such shortfall shall be added to the Carry Over GBP Amortisation Amount, to be paid on each subsequent Payment Date as part of the Class A1 GBP Amortisation Amount, pursuant to the Priority of Payments until such Carry Over GBP Amortisation Amount is paid in full.

On each Payment Date on and from the occurrence of a Principal Payment Trigger Event but prior to the delivery of an Enforcement Notice, the Notes will be subject to redemption, in accordance with the Pre-Enforcement Priority of Payments, sequentially in the following order: *first, pari passu* and *pro rata* among themselves, the Class A1 Notes and the Class A2 Notes in an aggregate amount equal to the excess of the Class A Notes Principal over the Class A Target Principal Amount, *second*, the Class B Notes in an amount equal to the excess of the Class B Notes Principal over the Class B Target Principal Amount, and *third*, the Class C Note in an amount equal to the excess of the Class C Note Principal over the Class C Target Principal Amount.

On each Payment Date on or after the date of the delivery of an Enforcement Notice, the Notes will be subject to redemption, subject to Condition 3.2 (*Limited Recourse*) and the Post-Enforcement Priority of Payments, sequentially in the following order: *first, pari passu* and *pro rata* among themselves, the Class A1 Notes and the Class A2 Notes until each such Class is redeemed in full, *second*, the Class B Notes until such Class is redeemed in full, and, *third*, the Class C Note until such Class is redeemed in full. Each Note of a particular Class shall be redeemed on each Payment Date in an amount equal to the redemption amount allocated to such Class divided by the number of Notes in such Class.

### 7.3 *Currency Swap Deferred Principal*

In respect of the Class A1 Notes only, if the Class A1 Swap has been terminated and no replacement swap has been entered into, then, on each Payment Date prior to the delivery of an Enforcement Notice:

- (a) to the extent that the Available Distribution Amount on such Payment Date available under the Pre-Enforcement Priority of Payments to pay principal on the Class A1 Notes (once converted into Dollars at the Spot Rate by the Cash Administrator) is *less* than the amount of funds that would have been payable by the Class A1 Swap Counterparty on such Payment Date in respect of principal if the Class A1 Swap had still been in full force and effect, the shortfall amounts (such amounts being **Currency Swap Deferred Principal Amounts** and, together with the Currency Swap Deferred Interest Amounts, the **Currency Swap Deferred Amounts**) shall be paid on such Payment Date *firstly*, from any Currency Swap Excess Amounts available to pay Currency Swap Deferred Principal Amounts and *secondly*, from the Available Distribution Amount as a subordinated item in the Pre-Enforcement Priority of Payments with the payment of any remaining Currency Swap Deferred Principal Amounts being deferred until such Payment Date on which there are Currency Swap Excess Amounts or a sufficient Available Distribution Amount under the Pre-Enforcement Priority of Payments available to pay Currency Swap Deferred Principal Amounts; and
- (b) to the extent that the Available Distribution Amount on such Payment Date available under the Pre-Enforcement Priority of Payments to pay principal on the Class A1 Notes (once converted into Dollars at the Spot Rate by the Cash Administrator) is *greater* than the amount of funds that would have been payable by the Class A1 Swap Counterparty on such Payment Date in respect of principal if the Class A1 Swap had still been in full force and effect, the excess amounts (such amounts being **Currency Swap Excess Principal Amounts** and, together with any Currency Swap Excess Interest Amounts and any termination payment received by the Issuer and deposited in the Class A1 Swap Reserve Account, **Currency Swap Excess Amounts**) shall be used to pay on such Payment Date *firstly*, Currency Swap Deferred Interest Amounts and *secondly*, Currency Swap Deferred Principal Amounts, with any excess being transferred to the Class A1 Swap Reserve Account where, subject to the terms of the Transaction Documents, it may be applied on subsequent Payment Dates to pay *firstly*, Currency Swap Deferred Interest Amounts and *secondly*, Currency Swap Deferred Principal Amounts, or towards the purchase, on any future date, of a replacement swap for the Class A1 Notes.

On each Payment Date on or after the delivery of an Enforcement Notice, any outstanding Currency Swap Deferred Principal Amounts shall be paid in accordance with the Post-Enforcement Priority of Payments.

Upon the termination of the Class A1 Swap and the subsequent entry into a replacement swap in respect of the Class A1 Notes, no new Currency Swap Deferred Principal Amounts or Currency Swap Excess Principal Amounts will arise and any then existing Currency Swap Excess Principal Amounts will form part of the Available Distribution Amount for the related Payment Date (following payment on such Payment Date of any outstanding Currency Swap Deferred Amounts in accordance with paragraph (b) above) and will be paid in accordance with the relevant Priority of Payments.

### 7.4 *Legal Maturity Date*

On the Payment Date falling in September 2024 (the **Legal Maturity Date**), each Class A Note shall, unless previously redeemed, be redeemed in full at its Note Principal Amount Outstanding on the Legal Maturity Date, and, after all Class A Notes have been redeemed in full, each Class B Note shall, unless previously redeemed, be redeemed in full at its Note Principal Amount Outstanding on the Legal Maturity Date, and, after all Class A Notes and Class B Notes have been redeemed in full, the



Class C Note shall, unless previously redeemed, be redeemed in full at its Note Principal Amount Outstanding on the Legal Maturity Date, in each case subject to the limitations set forth in Condition 3.2 (*Limited Recourse*). Without prejudice to Condition 6.7 (*Default Interest*), the Issuer will be under no obligation to make any payment under the Notes in respect of any period after the Legal Maturity Date.

#### 7.5 *Early Redemption*

- (a) On any Payment Date on or following the Payment Date on which all Class A Notes have been redeemed in full, the Seller may offer under the Receivables Sale Agreement to repurchase all of the outstanding Purchased Receivables (together with any Related Collateral) at the Repurchase Price and the Issuer may, in its sole discretion, accept such offer. If the Issuer accepts such offer, it shall, upon due exercise of such option, redeem the Class B Notes and the Class C Note in full, subject to the following requirements:
  - (i) the Seller shall advise the Issuer and the Issuer shall notify (which notice shall be irrevocable) the Trustee and the Noteholders of the Issuer's acceptance of the Seller's offer to exercise the repurchase option at least one month prior to the contemplated redemption Payment Date (the **Early Redemption Date**);
  - (ii) the Repurchase Price to be paid by the Seller will be calculated as at the Early Redemption Date; and
  - (iii) the proceeds distributable as a result of such repurchase on the Early Redemption Date shall be at least equal to the sum of the Class B Notes Principal and the Class C Note Principal plus accrued but unpaid interest thereon, if any, together with all amounts ranking prior thereto in accordance with the Pre-Enforcement Priority of Payments.
- (b) Early redemption of the Class B Notes and the Class C Note pursuant to this Condition 7.5 (*Early Redemption*) may not be effected if the Repurchase Price is insufficient to fully satisfy the obligations of the Issuer specified under Condition 7.5(a)(iii) above.
- (c) Upon payment in full of the Note Principal Amount Outstanding to the Class B Noteholders and the Class C Noteholder, the Class B Noteholders and the Class C Noteholder shall not receive any further payments of interest or principal.

#### 7.6 *Optional Redemption for Taxation Reasons*

If the Issuer is or becomes at any time required by law or regulation to deduct or withhold from any payment in respect of the Notes any amount in respect of current or future taxes, levies or governmental charges, regardless of their nature, which are imposed under any applicable system of law or in any country which claims fiscal jurisdiction or by, or for the account of, any political subdivision thereof or government agency therein authorised to levy taxes, the Issuer shall notify the Trustee and determine within 20 calendar days of such circumstance occurring whether it would be practicable to arrange for the substitution of the Issuer in accordance with Condition 11 (*Substitution of the Issuer*) or to change its tax residence to another jurisdiction.

Subject to Condition 11 (*Substitution of the Issuer*), the Trustee shall be required to consent to such substitution or change of tax residence of the Issuer within 60 calendar days of being notified under this Condition 7.6 (*Optional Redemption for Taxation Reasons*) that such substitution or change of the tax residence would be practicable but shall not give such approval unless the Rating Agencies have indicated that such substitution or change of the tax residence of the Issuer would not negatively affect or result in a reduction, qualification or withdrawal of the then current ratings of the Class A Notes and/or the Class B Notes.

If the Issuer determines that any of such measures would be practicable, it shall (i) notify the Trustee and provide it with legal opinions in respect of such substitution in form and substance satisfactory to it and (ii) effect such substitution in accordance with Condition 11 (*Substitution of the Issuer*) or (as relevant) such change of tax residence within 60 calendar days from such determination.

If, however, the Issuer determines within 20 calendar days of such circumstance occurring that none of such measures would be practicable or if, having determined that any of such measures would be practicable (and having notified the Trustee of such determination), it is unable so to avoid such deduction or withholding for or on account of tax, levies or governmental charges within such further period of 60 calendar days, then the Issuer shall be entitled at its option (but shall have no obligation) to fully redeem all (but not some only) of the Notes, upon not more than 60 calendar days' nor less than 30 calendar days' notice of redemption given to the Trustee, to the Paying Agents and, in accordance with Condition 13 (*Form of Notices*) to the Noteholders, at their then applicable Aggregate Note Principal Amount Outstanding, together with accrued but unpaid interest (if any) to the date (which must be a Payment Date) fixed for redemption together with all amounts ranking prior thereto or *pari passu* therewith in accordance with the Pre-Enforcement Priority of Payments. Any such notice shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

#### 7.7 *Purchase*

The Issuer may not purchase any Notes.

#### 7.8 *Pre-Enforcement Priority of Payments*

On each Payment Date prior to the delivery of an Enforcement Notice and prior to the redemption of the Notes in full in accordance with the Conditions, the Available Distribution Amount shall be applied by the Cash Administrator (on behalf of the Issuer) in accordance with the following priorities (in each case, including any applicable value added tax payable thereon):

- (a) *first*, to pay *pari passu* and *pro rata* any fees, costs, expenses, indemnities and other amounts due and payable to the Trustee and any Appointee thereof;
- (b) *second*, to pay *pari passu* and *pro rata* any fees, costs, expenses, indemnities and other amounts to each of the Corporate Administrator, Transaction Account Bank, DTC Custodian, Account Bank, Principal Paying Agent, U.S. Paying Agent, U.S. Registrar, Agent Bank, Calculation Agent, Registrar, Cash Administrator, any custodian holding a securities Swap Collateral Account and any other expenses due and payable by the Issuer in connection with the establishment or corporate administration of the Issuer or in relation to any annual return, filing, registration and registered office or licence, and to the Insolvency Official of the Seller following an Insolvency Event of the Seller, the Administrator Incentive Recovery Fee under the Servicing Agreement (if any);
- (c) *third*, to pay amounts due and payable to any third party creditors of the Issuer (other than any payment to any such party provided for subsequently in this Priority of Payments), which amounts have been incurred by the Issuer pursuant to the Transaction Documents and, to the extent amounts of Issuer retained profit are insufficient to cover any corporation tax due and payable, to pay such amount;
- (d) *fourth*, to pay *pari passu* and *pro rata* any fees, out-of-pocket costs, expenses and other amounts due and payable to the Servicer under the Servicing Agreement and any amounts due and payable to any replacement servicer (including any expenses, costs and fees incurred in the course of replacement) of the Purchased Receivables and the Related Collateral which may be appointed from time to time under the Servicing Agreement and any costs and expenses incurred by or on behalf of the Issuer in the event that the Issuer collects and/or

services the Purchased Receivables or the Related Collateral during the process of the replacement of the Servicer;

- (e) *fifth*, to pay any amounts due and payable by the Issuer to the Seller under the Receivables Sale Agreement in respect of any required return in whole or in part of a direct debit;
- (f) *sixth*, to pay *pari passu* and *pro rata* any amount due and payable to a Swap Counterparty with respect to swapping GBP fixed rate interest for GBP LIBOR or GBP LIBOR to USD LIBOR, as applicable, but excluding termination payments;
- (g) *seventh*, to pay *pari passu* and on a *pro rata* basis according to the respective amounts of the Set Interest Amount on the Class A Notes and any termination payments due and payable under item (g)(iii):
  - (i) the Interest Amount in relation to the Class A1 Notes (other than Currency Swap Deferred Interest Amounts) and any Additional Interest relating thereto;

**provided always that** for the purposes of making the payments of the Interest Amount under item (g)(i) above:

- (A) the Issuer shall pay the Class A1 Set Interest Issuer Payment to the Class A1 Swap Counterparty pursuant to item (f) above and the corresponding Dollar amount (determined in accordance with the Class A1 Swap) payable by the Class A1 Swap Counterparty to the Issuer in accordance with the Class A1 Swap (if any) shall be paid to the Principal Paying Agent on behalf of the Issuer for the account of the Class A1 Noteholders; or
  - (B) if there is no Class A1 Swap, the Issuer shall pay the Class A1 Set Interest Issuer Payment (that would have been payable by the Issuer to the Class A1 Swap Counterparty under the Class A1 Swap in accordance with sub-paragraph (A) above) to the Cash Administrator and the Cash Administrator shall convert such amount into Dollars at the Spot Rate on the relevant Payment Date and pay such Dollar amount to the Principal Paying Agent for the account of the Class A1 Noteholders (any Currency Swap Excess Interest Amounts resulting from such conversion shall be used to pay Currency Swap Deferred Amounts on the Class A1 Notes and any Additional Interest relating thereto with any remainder transferred to the Class A1 Swap Reserve Account);
- (ii) the Interest Amount in relation to the Class A2 Notes and any Additional Interest relating thereto; and
  - (iii) any termination payments due and payable to a Swap Counterparty under a Swap Agreement (but excluding those termination payments due and payable to a Swap Counterparty under item (o) (during the Revolving Period), item (u) (on and after the Revolving Period End Date and prior to a Principal Payment Trigger Event) or item (s) (on or after a Principal Payment Trigger Event));
- (h) *eighth*, prior to the occurrence of a Principal Deficiency Trigger Event, the Interest Amount in relation to the Class B Notes to the Principal Paying Agent, for the account of the Class B Noteholders;
  - (i) *ninth*, to credit the Reserve Ledger up to the Required Liquidity Reserve Amount as at the Calculation Date immediately preceding such Payment Date;

**During the Revolving Period:**

- (j) *tenth*, to credit the Reserve Ledger up to an amount equal to: (1) the Required Reserve Amount as at the Calculation Date immediately preceding such Payment Date *minus* (2) the Required Liquidity Reserve Amount as at such Calculation Date;
- (k) *eleventh*, to pay the Interest Amount in relation to the Class C Note to the Principal Paying Agent for the account of the Class C Noteholder;
- (l) *twelfth*, to pay any Further Receivables Purchase Price due and payable to the Seller in accordance with the provisions of the Receivables Sale Agreement (provided that the Adjusted Aggregate Asset Amount Outstanding following such purchase of Further Receivables does not exceed the Initial Purchase Price);
- (m) *thirteenth*, to credit the Reinvestment Principal Ledger with an amount up to (1) the Initial Purchase Price *minus* (2) the Adjusted Aggregate Asset Amount Outstanding (following the purchase of Further Receivables contemplated by item (l) above);
- (n) *fourteenth*, to pay interest (including accrued interest) due and payable under the Subordinated Loan Advance and, thereafter, outstanding principal under the Subordinated Loan Advance;
- (o) *fifteenth*, to pay any termination payments due and payable to a Swap Counterparty under a Swap Agreement if (i) an event of default has occurred under such Swap Agreement and such Swap Counterparty is the defaulting party in respect of such event of default or (ii) an Additional Termination Event (as defined in the relevant Swap Agreement) has occurred under such Swap Agreement as a result of a downgrade of the relevant Swap Counterparty;
- (p) *sixteenth*, to retain a reserved profit for the Issuer of £300 (which the Issuer may apply to pay any corporation tax due thereon); and
- (q) *seventeenth*, to pay any amounts relating to the Junior Deferred Consideration to the Seller in accordance with the Receivables Sale Agreement;

**On and after the Revolving Period End Date and prior to a Principal Payment Trigger Event:**

- (j) *tenth*, on and after the Class A1 Amortisation Commencement Date, to pay the Class A1 USD Amortisation Amount;

**provided always that** for the purposes of making the payments of principal under this item (j):

- (A) the Issuer shall pay the Class A1 GBP Amortisation Amount to the Class A1 Swap Counterparty, and the Class A1 USD Amortisation Amount (determined in accordance with the Class A1 Swap) payable by the Class A1 Swap Counterparty to the Issuer in accordance with the Class A1 Swap (if any) shall be paid to the Principal Paying Agent on behalf of the Issuer for the account of the Class A1 Noteholders; or
- (B) if there is no Class A1 Swap, the Issuer shall pay the Class A1 GBP Amortisation Amount (that would have been payable by the Issuer to the Class A1 Swap Counterparty under the Class A1 Swap in accordance with sub-paragraph (A) above) to the Cash Administrator and the Cash Administrator shall convert such amount into Dollars at the Spot Rate on the relevant Payment Date and pay the Dollar amount to the Principal Paying Agent for the account of the Class A1 Noteholders (any Currency Swap Excess Principal Amounts resulting from such conversion shall be

used to pay Currency Swap Deferred Amounts on the Class A1 Notes and any Additional Interest relating thereto with any remainder transferred to the Class A1 Swap Reserve Account),

**and further provided that**, for the purposes of making the payments of principal due under this item, amounts standing to the credit of the Class A1 Cash Accumulation Ledger shall be used first for such payments, with the remainder of the Available Distribution Amount applied to the next following item in this Priority of Payment. For the avoidance of doubt, if on a Payment Date the amounts standing to the credit of the Class A1 Cash Accumulation Ledger are not sufficient to meet the payments of principal due under this item, the remainder of the Available Distribution Amount will be applied to cover such shortfall;

- (k) *eleventh*, to pay the Class A2 Notes Principal to the Principal Paying Agent for the account of the Class A2 Noteholders but only until the Class A Notes Principal following such payment is equal to the Class A Target Principal Amount;
- (l) *twelfth*, to pay interest due and payable under a Class A1 Principal Requirement Advance and thereafter, outstanding principal under a Class A1 Principal Requirement Advance;
- (m) *thirteenth*, following the reduction of the Class A2 Notes Principal to zero, to credit the Class A1 Cash Accumulation Ledger up to the Class A1 Cash Accumulation Ledger Required Amount as at the Calculation Date immediately preceding such Payment Date;
- (n) *fourteenth*, in or towards payment of any Currency Swap Deferred Interest Amounts due and payable on the Class A1 Notes and any Additional Interest thereon (to the extent not fully paid under items (g)(i)(B) and (j)(B) above or from amounts credited to the Class A1 Swap Reserve Account), **provided that** for the purposes of making such payment under this item, the Issuer shall pay such amounts, once converted into Dollars at the Spot Rate on the relevant Payment Date by the Cash Administrator, to the Principal Paying Agent for the account of the Class A1 Noteholders;
- (o) *fifteenth*, in or towards payment of any Currency Swap Deferred Principal Amounts due and payable on the Class A1 Notes (to the extent not fully paid under items (g)(i)(B) and (j)(B) above or from amounts credited to the Class A1 Swap Reserve Account), **provided that** for the purposes of making such payment under this item (o), the Issuer shall pay such amounts, once converted into Dollars at the Spot Rate on the relevant Payment Date by the Cash Administrator, to the Principal Paying Agent for the account of the Class A1 Noteholders;
- (p) *sixteenth*, to pay the Class B Notes Principal to the Principal Paying Agent for the account of the Class B Noteholders, but only until the Class B Notes Principal following such payment is equal to the Class B Target Principal Amount;
- (q) *seventeenth*, to credit the Reserve Ledger up to an amount equal to: (1) the Required Reserve Amount as at the Calculation Date immediately preceding such Payment Date *minus* (2) the Required Liquidity Reserve Amount as at such Calculation Date;
- (r) *eighteenth*, to pay the Interest Amount in relation to the Class C Note to the Principal Paying Agent for the account of the Class C Noteholder;
- (s) *nineteenth*, to pay the Class C Note Principal to the Principal Paying Agent for the account of the Class C Noteholder, but only until the Class C Note Principal following such payment is equal to the Class C Target Principal Amount;

- (t) *twentieth*, to pay:
  - (i) interest (including accrued interest) due and payable under the Subordinated Loan Advance and any Class A1 Additional Set Interest Amount Advance, and, thereafter,
  - (ii) outstanding principal under the Subordinated Loan Advance and any Class A1 Additional Set Interest Amount Advance;
- (u) *twenty-first*, to pay any termination payments due and payable to a Swap Counterparty under a Swap Agreement if (i) an event of default has occurred under such Swap Agreement and such Swap Counterparty is the defaulting party in respect of such event of default or (ii) an Additional Termination Event (as defined in the relevant Swap Agreement) has occurred under such Swap Agreement as a result of a downgrade of the relevant Swap Counterparty;
- (v) *twenty-second*, to retain a reserved profit for the Issuer of £300 (which the Issuer may apply to pay any corporation tax due thereon); and
- (w) *twenty-third*, to pay any amounts relating to the Junior Deferred Consideration to the Seller in accordance with the Receivables Sale Agreement;

**On or after a Principal Payment Trigger Event:**

- (j) *tenth*, to pay *pari passu* and on a *pro rata* basis according to the respective amounts of the Aggregate Note Principal Amount Outstanding of the Class A Notes until the Class A Notes Principal following such payments is equal to the Class A Target Principal Amount:
  - (i) the Note Principal Amount Outstanding for the Class A1 Notes; and
  - (ii) the Class A2 Notes Principal to the Principal Paying Agent for the account of the Class A2 Noteholders,

**provided always that** for the purposes of paying amounts in respect of the Class A1 Notes pursuant to item (j)(i) above:

- (A) the Issuer shall pay an amount in Sterling to the Class A1 Swap Counterparty, and the corresponding Dollar amount (determined in accordance with the Class A1 Swap) payable by the Class A1 Swap Counterparty to the Issuer in accordance with the Class A1 Swap (if any) shall be paid to the Principal Paying Agent on behalf of the Issuer for the account of the Class A1 Noteholders; or
- (B) if there is no Class A1 Swap, the Issuer shall pay the amount in Sterling (that would have been due under the Class A1 Swap in accordance with sub-paragraph (A) above) to the Cash Administrator and the Cash Administrator shall convert such Sterling amount into Dollars at the Spot Rate on the relevant Payment Date and pay the Dollar amount to the Principal Paying Agent for the account of the Class A1 Noteholders (any Currency Swap Excess Principal Amounts resulting from such conversion shall be used to pay Currency Swap Deferred Amounts on the Class A1 Notes and any Additional Interest relating thereto with any remainder transferred to the Class A1 Swap Reserve Account),

**and further provided that**, for the purposes of making the payments of principal due under item (j)(i) above, amounts standing to the credit of the Class A1 Cash Accumulation Ledger shall be used first for such payments, with the remainder of the Available Distribution Amount applied to the next following item in this Priority of Payment. For the avoidance of doubt, if on a Payment Date the amounts standing to the credit of the Class A1 Cash

Accumulation Ledger are not sufficient to meet the payments of principal due under item (j)(i) above, the remainder of the Available Distribution Amount will be applied to cover such shortfall;

- (k) *eleventh*, to pay first, interest due and payable under a Class A1 Principal Requirement Advance and thereafter, outstanding principal under a Class A1 Principal Requirement Advance;
- (l) *twelfth*, in or towards payment of any Currency Swap Deferred Interest Amounts due and payable on the Class A1 Notes and any Additional Interest thereon (to the extent not fully paid under items (g)(i)(B) and (j)(B) above or from amounts credited to the Class A1 Swap Reserve Account), provided that for the purposes of making such payment under this item (l), the Issuer shall pay such amounts, once converted into Dollars at the Spot Rate on the relevant Payment Date by the Cash Administrator, to the Principal Paying Agent for the account of the Class A1 Noteholders;
- (m) *thirteenth*, in or towards payment, of any Currency Swap Deferred Principal Amounts due and payable on the Class A1 Notes (to the extent not fully paid under items (g)(i)(B) and (j)(B)) above or from amounts credited to the Class A1 Swap Reserve Account), provided that for the purposes of making such payment under this item (m), the Issuer shall pay such amounts, once converted into Dollars at the Spot Rate on the relevant Payment Date by the Cash Administrator, to the Principal Paying Agent for the account of the Class A1 Noteholders;
- (n) *fourteenth*, to pay the Class B Notes Principal to the Principal Paying Agent for the account of the Class B Noteholders, but only until the Class B Notes Principal following such payment is equal to the Class B Target Principal Amount;
- (o) *fifteenth*, to credit to the Reserve Ledger up to an amount equal to: (1) the Required Reserve Amount as at the Calculation Date immediately preceding such Payment Date minus (2) the amount of the Required Liquidity Reserve Amount as at such Calculation Date;
- (p) *sixteenth*, to pay the Interest Amount in relation to the Class C Note to the Principal Paying Agent for the account of the Class C Noteholder;
- (q) *seventeenth*, to pay the Class C Note Principal to the Principal Paying Agent for the account of the Class C Noteholder but only until the Class C Note Principal following such payment is equal to the Class C Target Principal Amount;
- (r) *eighteenth*, to pay,
  - (i) interest due and payable under the Subordinated Loan Advance and any Class A1 Additional Set Interest Amount Advance, and, thereafter,
  - (ii) outstanding principal under the Subordinated Loan Advance and any Class A1 Additional Set Interest Amount Advance;
- (s) *nineteenth*, to pay any termination payments due and payable to a Swap Counterparty under a Swap Agreement if (i) an event of default has occurred under such Swap Agreement and such Swap Counterparty is the defaulting party in respect of such event of default or (ii) an Additional Termination Event (as defined in the relevant Swap Agreement) has occurred under such Swap Agreement as a result of a downgrade of the relevant Swap Counterparty;
- (t) *twentieth*, to retain a reserved profit for the Issuer of £300 (which the Issuer may apply to pay any corporation tax due thereon); and

- (u) *twenty-first*, to pay any amounts relating to the Junior Deferred Consideration to the Seller in accordance with the Receivables Sale Agreement.

On and after the occurrence of a Principal Deficiency Trigger Event, interest on the Class B Notes will become subordinate to the items above (but will be paid prior to) item (n) in the Pre-Enforcement Priority of Payments (on or after a Principal Payment Trigger Event). Subordination of interest on the Class B Notes following the occurrence of a Principal Deficiency Trigger Event will continue even if such Principal Deficiency Trigger Event is no longer continuing.

On each Payment Date prior to the delivery of an Enforcement Notice and prior to the redemption of the Notes in full in accordance with the Conditions, any amounts received by the Issuer as Collections and apportioned by the Servicer to the Guaranteed Future Value Payment component of any PCP Agreement shall be paid by the Cash Administrator (on behalf of the Issuer) to the Seller as Senior Deferred Consideration in accordance with the Receivables Sale Agreement and, for the avoidance of doubt, such amounts shall not form part of the Available Distribution Amount or be applied in accordance with the Pre-Enforcement Priority of Payments.

#### 7.9 *Post-Enforcement Priority of Payments*

Either (i) following the delivery of an Enforcement Notice and prior to the full discharge of all Secured Obligations or (ii) if the Notes are redeemed in full pursuant to the Conditions, any amounts standing to the credit of the Issuer Accounts (other than (1) any collateral posted by a Swap Counterparty under a Credit Support Annex and any interest thereon; (2) until the Note Principal Amount Outstanding of the Class A1 Notes has been reduced to zero, amounts standing to the credit of the Class A1 Cash Accumulation Ledger which amounts shall only be used for payments of principal on the Class A1 Notes under item (f)(i) below; (3) any Seller Amounts; (4) any amounts received by the Issuer but held on trust for the benefit of the Seller in accordance with the Receivables Sale Agreement; and (5) any amounts received by the Issuer as Collections and apportioned by the Servicer to the Guaranteed Future Value Payment component of any PCP Agreement) shall be applied by the Cash Administrator (on behalf of the Trustee) or by the Trustee on subsequent Payment Dates in the following order (in each case, including any applicable value added tax payable thereon):

- (a) *first*, to pay any fees, costs, expenses, indemnities and other amounts due and payable to the Trustee and any receiver or administrative receiver or other Appointee appointed in respect of the Issuer in accordance with the Deed of Charge;
- (b) *second*, to pay *pari passu* and *pro rata* any fees, out-of-pocket costs, expenses and other amounts due and payable to the Servicer under the Servicing Agreement and any amounts due and payable to any replacement servicer (including any expenses, costs and fees incurred in the course of replacement) of the Purchased Receivables and the Related Collateral which may be appointed from time to time under the Servicing Agreement and any costs and expenses incurred by or on behalf of the Issuer in the event that the Issuer collects and/or services the Purchased Receivables or the Related Collateral during the process of the replacement of the Servicer;
- (c) *third*, to pay *pari passu* and *pro rata* any fees, costs, expenses, indemnities and other amounts due and payable to each of the Cash Administrator, Transaction Account Bank, Account Bank, DTC Custodian, Principal Paying Agent, U.S. Paying Agent, U.S. Registrar, Agent Bank, Calculation Agent, Registrar, Corporate Administrator, any custodian holding a securities Swap Collateral Account and any other amounts due and payable by the Issuer in connection with the liquidation or dissolution of the Issuer and to the Insolvency Official of the Seller, following an Insolvency Event of the Seller, the Administrator Incentive Recovery Fee under the Servicing Agreement (if any);



- (d) *fourth*, to pay *pari passu* and *pro rata* any amount due and payable to a Swap Counterparty with respect to swapping GBP fixed rate interest for GBP LIBOR or GBP LIBOR for USD LIBOR, as applicable, but excluding termination payments;
- (e) *fifth*, to pay *pari passu* and on a *pro rata* basis according to the respective amounts of the Set Interest Amount on the Class A Notes and any termination payments due and payable under item (e)(iii):
  - (i) the Interest Amount in relation to the Class A1 Notes (other than Currency Swap Deferred Interest Amounts) and any Additional Interest relating thereto;
  - (ii) the Interest Amount in relation to the Class A2 Notes to the Principal Paying Agent, for the account of the Class A2 Noteholders and any Additional Interest relating thereto; and
  - (iii) any termination payments due and payable to a Swap Counterparty (but excluding those termination payments due and payable to a Swap Counterparty under item (n) below),

**provided always that** for the purposes of making the payment of the Interest Amount under item (e)(i) above:

- (A) the Issuer shall pay the Class A1 Set Interest Issuer Payment to the Class A1 Swap Counterparty pursuant to item (d) above, and the corresponding Dollar amount (determined in accordance with the Class A1 Swap) payable by the Class A1 Swap Counterparty to the Issuer in accordance with the Class A1 Swap (if any) shall be paid to the Principal Paying Agent on behalf of the Issuer for the account of the Class A1 Noteholders; or
  - (B) if there is no Class A1 Swap, the Issuer shall pay the Class A1 Set Interest Issuer Payment (that would have been due under the Class A1 Swap) to the Cash Administrator and the Cash Administrator shall convert such amount into Dollars at the Spot Rate on the relevant Payment Date and apply such Dollars towards paying the Interest Amount to the Principal Paying Agent for the account of the Class A1 Noteholders and any excess amount will be applied *first*, to amounts due under item (f)(i) below and *second*, following the reduction of the Aggregate Note Principal Amount Outstanding of the Class A1 Notes to zero, to amounts due under items (e)(ii) and (e)(iii) (inclusive) and below in this Priority of Payments;
- (f) *sixth*, to pay *pari passu* with each other and on a *pro rata* basis:
    - (i) the Note Principal Amount Outstanding of the Class A1 Notes until the Note Principal Amount Outstanding of the Class A1 Notes has been reduced to zero; and
    - (ii) the Note Principal Amount Outstanding of the Class A2 Notes until the Note Principal Amount Outstanding of the Class A2 Notes has been reduced to zero, to the Principal Paying Agent for the account of the Class A2 Noteholders,

**provided always that** for the purposes of paying the Class A1 Notes above:

- (A) the Issuer shall pay an amount in Sterling to the Class A1 Swap Counterparty, and the corresponding Dollar amount (determined in accordance with the Class A1 Swap) payable by the Class A1 Swap Counterparty to the Issuer in accordance with the Class A1 Swap (if any) shall be paid to the Principal Paying Agent on behalf of the Issuer for the account of the Class A1 Noteholders; or

- (B) if there is no Class A1 Swap, the Issuer shall pay the amount in Sterling (that would have been due under the Class A1 Swap) to the Cash Administrator and the Cash Administrator shall convert such amount into Dollars at the Spot Rate on the relevant Payment Date and pay the amount of such Dollars necessary to reduce the balance of the Class A1 Notes to zero to the Principal Paying Agent for the account of the Class A1 Noteholders, and any excess amount will be applied to amounts due under item (f)(ii) and below in this Priority of Payments,

**and further provided that**, for the purposes of making the payments of principal due under item (f)(i) above, amounts standing to the credit of the Class A1 Cash Accumulation Ledger and any excess amounts available under item (e)(B) above shall be used first for such payments, with the remainder of the amounts standing to the credit of the Issuer Accounts applied to the next following item in this Priority of Payment. For the avoidance of doubt, if on a Payment Date the amounts standing to the credit of the Class A1 Cash Accumulation Ledger plus excess amounts available under item (e)(B) above are not sufficient to meet the payments of principal due under item (f)(i) above, the remainder of the amounts standing to the credit of the Issuer Accounts will be applied to cover such shortfall;

- (g) *seventh*, the Interest Amount in relation to the Class B Notes to the Principal Paying Agent, for the account of the Class B Noteholders;
- (h) *eighth*, to pay *first*, interest due and payable under a Class A1 Principal Requirement Advance and, thereafter, outstanding principal under a Class A1 Principal Requirement Advance;
- (i) *ninth*, to pay *first*, Currency Swap Deferred Interest Amounts due and payable on the Class A1 Notes and any Additional Interest relating thereto to the Principal Paying Agent, for the account of the Class A1 Noteholders and *second*, Currency Swap Deferred Principal Amounts due and payable on the Class A1 Notes to the Principal Paying Agent, for the account of the Class A1 Noteholders (once converted into Dollars at the Spot Rate by the Cash Administrator);
- (j) *tenth*, to pay the Class B Notes Principal to the Principal Paying Agent for the account of the Class B Noteholders;
- (k) *eleventh*, to pay the Interest Amount in relation to the Class C Note to the Principal Paying Agent for the account of the Class C Noteholder;
- (l) *twelfth*, to pay the Class C Note Principal to the Principal Paying Agent for the account of the Class C Noteholder;
- (m) *thirteenth*, to pay *first*, interest due and payable under the Subordinated Loan Advance and any Class A1 Additional Set Interest Amount Advance and *second*, outstanding principal due and payable under the Subordinated Loan Advance and any Class A1 Additional Set Interest Amount Advance;
- (n) *fourteenth*, to pay any termination payment due and payable to a Swap Counterparty under a Swap Agreement if (i) an event of default has occurred under such Swap Agreement and such Swap Counterparty is the defaulting party in respect of such event of default or (ii) a termination event has occurred under such Swap Agreement provided that such Swap Counterparty is the sole affected part in respect of such termination event;
- (o) *fifteenth*, to retain a reserved profit for the Issuer of £300 (which the Issuer may apply to pay any corporation tax due thereon); and

- (p) *sixteenth*, to pay any remaining amounts to the Seller as Junior Deferred Consideration in accordance with the Receivables Sale Agreement.

Either (i) following the delivery of an Enforcement Notice and prior to the full discharge of all Secured Obligations or (ii) if the Notes are redeemed in full pursuant to the Conditions, any amounts standing to the credit of the Issuer Accounts that constitute Collections and have been apportioned by the Servicer to the Guaranteed Future Value Payment component of any PCP Agreement shall be paid by the Cash Administrator (on behalf of the Trustee) or by the Trustee on each subsequent Payment Date to the Seller as Senior Deferred Consideration in accordance with the Receivables Sale Agreement and, for the avoidance of doubt, such amounts shall not be applied in accordance with the Post-Enforcement Priority of Payments.

## **8. Notifications**

### **8.1 Notifications by the Calculation Agent**

The Calculation Agent shall, as soon as practicable on or after each GBP LIBOR Determination Date in relation to the Class A2 Notes, the Class B Notes and the Class C Note and on or after each USD LIBOR Determination Date in relation to the Class A1 Notes, notify the Principal Paying Agent of the determinations made pursuant to Condition 6.4 (*Determinations*) for onward communication of such information as set forth in Condition 8.2 (*Notifications by the Principal Paying Agent*).

### **8.2 Notifications by the Principal Paying Agent**

The Principal Paying Agent shall notify the Issuer, the Seller, the Servicer, the Cash Administrator, the Trustee, each Swap Counterparty and the U.S. Paying Agent and, on behalf of the Issuer, by means of notification in accordance with Condition 13 (*Form of Notices*), the Noteholders, and so long as any of the Notes are listed on the Official List and traded on the regulated market of the Stock Exchange, and only if required by applicable law, regulation or rules of the Stock Exchange, the Stock Exchange, with respect to each Payment Date:

- (a) of the Interest Amount pursuant to Condition 6.1 (*Interest Calculation*); and
- (b) of any Currency Swap Deferred Amounts due under the Class A1 Notes and any deferred amounts due under the Class A2 Notes, the Class B Notes and the Class C Note.

In each case, such notification shall be made by the Principal Paying Agent as soon as practicable on or after the GBP LIBOR Determination Date in relation to the Class A2 Notes, the Class B Notes and the Class C Note and as soon as practicable on or after the USD LIBOR Determination Date in relation to the Class A1 Notes, preceding the relevant Payment Date.

## **9. Principal Paying Agent; Determinations Binding**

- (a) The Issuer has appointed Elavon Financial Services DAC, UK Branch as Principal Paying Agent, Agent Bank, Calculation Agent and Cash Administrator, Elavon Financial Services DAC as Registrar and U.S. Bank National Association as U.S. Registrar and U.S. Paying Agent.
- (b) The Issuer shall procure that, for as long as any Notes are outstanding, there shall always be a Principal Paying Agent and a U.S. Paying Agent to perform the functions assigned to them in these Conditions. The Issuer may at any time, by giving not less than 30 calendar days' notice to the relevant Agent, the Trustee and the Noteholders in accordance with Condition 13 (*Form of Notices*), replace any of the Agents by one or more other banks or other financial institutions which assume such functions. Each of the Agents shall act solely as agent for the Issuer and shall not have any agency or trustee relationship with the Noteholders.

- (c) All Interest Rates and Interest Amounts determined and other calculations and determinations made by the Calculation Agent and provided by the Principal Paying Agent by means of notification in accordance with Conditions 8 (*Notifications*) and 13 (*Form of Notices*) for the purposes of these Conditions shall, in the absence of manifest error, be final and binding.

## 10. Taxes

- (a) All payments in respect of the Notes will be made by the Issuer or the applicable Paying Agent (as the case may be) after the deduction and withholding of current or future taxes, levies or governmental charges, regardless of their nature (collectively, **taxes**), which are imposed, levied or collected under any applicable system of law or in any country which claims fiscal jurisdiction or by, or for the account of, any political subdivision thereof or government agency therein authorised to levy taxes, to the extent that such deduction or withholding is required by law. The Issuer or the applicable Paying Agent (as the case may be) shall account for the deducted or withheld taxes to the competent government agencies and shall, upon request of a Noteholder, provide proof thereof. None of the Issuer, the applicable Paying Agent or any other person is obliged to pay any additional amounts in respect of any amount so deducted or withheld.
- (b) Notwithstanding any other provision in these Conditions, the Issuer and any Paying Agent shall be permitted to withhold or deduct any amounts 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. None of the Issuer, the applicable Paying Agent or any other person is obliged to pay additional amounts or otherwise indemnify a Noteholder or any other person for any such amounts deducted or withheld by the Issuer, any Paying Agent or any other party as a result of any person not being entitled to receive payments free of such withholding or deduction.

## 11. Substitution of the Issuer

- (a) If, in the determination of the Issuer or as a result of any enactment of or supplement or amendment to, or change in, the laws of any relevant jurisdiction or as a result of an official communication of a previously not existing or not publicly available official interpretation, or a change in the official interpretation, implementation or application of such laws that becomes effective on or after the Closing Date:
  - (i) the Issuer would, for reasons beyond its control, and after taking reasonable measures (such measures not involving any material additional payment or other expenses), be materially restricted from performing any of its obligations under the Notes or the Transaction Documents to which it is a party; or
  - (ii) the Issuer would, for reasons beyond its control, and after taking reasonable measures (such measures not involving any material additional payment or other expenses), (A) be required to make any withholding or deduction for or on account of tax in respect of any payments on the Notes and/or receive any material payments pursuant to the Transaction Documents subject to any withholding or deduction for or on account of tax for which it is not compensated or (B) cease to be subject to corporation tax in accordance with regulations 14 to 21 of the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296),

then, without prejudice to Condition 7.6 (*Optional Redemption for Taxation Reasons*), the Issuer shall inform the Trustee accordingly and shall, if the Issuer determines such measures practicable, in order to avoid the relevant event described in paragraph (i) or (ii) above,

arrange the substitution of the Issuer with a company incorporated in another jurisdiction in accordance with the terms of the Trust Deed, change its tax residence to another jurisdiction or effect any other measure suitable to avoid the relevant event described in paragraph (i) or (ii) above.

(b) *Substitution of Issuer*

The Trustee may, without the consent of any Noteholder or other Secured Creditor, concur with the Issuer in substituting in place of the Issuer a Substituted Obligor as the principal debtor in respect of the Trust Documents, the Notes and the Secured Amounts, subject to such further conditions as are specified in the Trust Deed (including notification of the substitution to the Rating Agencies and indication from the Rating Agencies that the Class A Notes and the Class B Notes will not be downgraded).

(c) *Notice of Substitution of Issuer*

Not later than fourteen days after the execution of any documents required to be executed pursuant to Clause 16.1 (*Procedure for Substitution*) of the Trust Deed and after compliance with any requirements of the Trustee under this Condition 11 (*Substitution of the Issuer*) and/or Clause 16 (*Substitution*) of the Trust Deed, the Substituted Obligor shall cause notice thereof to be given to the Noteholders and the other Secured Creditors in accordance with Condition 13 (*Form of Notices*) and the relevant Transaction Documents.

(d) *No Indemnity*

No Noteholder shall, in connection with any such substitution, be entitled to claim from the Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon individual Noteholders.

## **12. Meetings of Noteholders, Modifications, Waiver, Substitution and Exchange**

(a) *Meetings of Noteholders*

(i) The Trust Deed contains provisions for convening separate and joint meetings of each of the Class A1 Noteholders, the Class A2 Noteholders, the Class B Noteholders and the Class C Noteholder to consider any matter affecting their interests, including the sanctioning by an Extraordinary Resolution of a modification or waiver of any of the provisions of the Trust Deed, the Deed of Charge, any other Transaction Document or these Conditions. Any Extraordinary Resolution in respect of a Reserved Matter must be approved by separate meetings of each Class of Noteholders affected thereby.

(ii) In respect of the Class A Notes (or any Class thereof), the Class B Notes and the Class C Note the quorum at any meeting for passing an Extraordinary Resolution not related to a Reserved Matter will be two or more persons holding or representing more than 50 per cent. of the Sterling Equivalent Principal Amount Outstanding of the Notes of the relevant Class or Classes or, at any adjourned meeting, two or more persons holding or representing more than 25 per cent. of the Sterling Equivalent Principal Amount Outstanding of the Notes of the relevant Class or Classes. In relation to Reserved Matters, the quorum for passing an Extraordinary Resolution will be two or more persons holding or representing in aggregate at least 75 per cent. of the Sterling Equivalent Principal Amount Outstanding of the Notes of the relevant Class or Classes, or at any adjourned such meeting two or more persons holding or representing in aggregate at least 33⅓ per cent. of the Sterling Equivalent Principal Amount Outstanding of the Notes of the relevant Class or Classes.

- (A) An Extraordinary Resolution passed at any meeting of Class A Noteholders (or any Class thereof) or the Class B Noteholders, as applicable, will be binding on all Class A Noteholders (or such Class thereof) or all Class B Noteholders, as applicable, whether or not they were present at such meeting **provided that** a Reserved Matter must be approved by an Extraordinary Resolution of each Class of Noteholders affected thereby.
- (B) A **Reserved Matter** means any proposal:
  - (1) (except in accordance with Condition 12(c)(ii)(C)) changing any date fixed for payment of principal or interest in respect of the Notes of any Class, or to reduce the amount of principal or interest due on any date in respect of the Notes;
  - (2) changing the amount required to redeem the Notes of any Class, or (except in accordance with Condition 12(c)(ii)(C)) the amount of interest payable on the Notes of any Class;
  - (3) (except in accordance with Condition 12(c)(ii)(C)) changing the method of calculating the amount of any payment in respect of the Notes of any Class on redemption or maturity;
  - (4) releasing or substituting the Security or any part thereof except in accordance with the Transaction Documents;
  - (5) (except in accordance with Condition 11 (*Substitution of the Issuer*)) effecting the exchange, conversion or substitution of the Notes of any Class for, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;
  - (6) changing the currency in which amounts due in respect of the Notes of any Class are payable;
  - (7) altering the Priority of Payments in respect of the Notes;
  - (8) changing the quorum at any meeting or the majority required to pass an Extraordinary Resolution; or
  - (9) altering this definition.
- (iii) An Extraordinary Resolution of any Class of Notes to approve any matter other than a Reserved Matter will not be effective unless sanctioned by an Extraordinary Resolution of the Controlling Class and any Extraordinary Resolution passed by the Controlling Class (except in relation to a Reserved Matter) shall be binding on the other Classes. The **Controlling Class** means the Class A Notes so long as any Class A Notes are outstanding (with the holders of the Class A1 Notes and the Class A2 Notes acting or voting together as a single Class of Noteholders), after the Class A Notes have been repaid in full, the Class B Notes then outstanding, and, after the Class B Notes have been repaid in full, the Class C Note then outstanding.

(b) *Resolutions in Writing*

A Written Resolution signed by or on behalf of one or more persons holding not less than 75 per cent. of the Sterling Equivalent Principal Amount Outstanding of the Notes outstanding of the relevant Class or Classes shall take effect as an Extraordinary Resolution.

(c) *Modifications*

(i) The Trustee may without any consent or sanction of the Noteholders or any of the other Secured Creditors at any time and from time to time concur with the Issuer in making any modification to the Trust Documents, the Conditions or any other Transaction Document to which it is a party or in relation to which it holds security (other than in respect of a Reserved Matter for which an Extraordinary Resolution of each Class of Noteholders affected thereby approving such modification will be required) if the Trustee is of the opinion that (a) such modification will not be materially prejudicial to the interests of the Controlling Class (and, for the avoidance of doubt, the Trustee shall be entitled to assume, without further investigation or inquiry, that such modification will not be materially prejudicial to the interests of the Controlling Class if a Rating Agency Confirmation is provided by each of the Rating Agencies in accordance with Condition 14.4 (*Confirmation from Rating Agencies*)), or (b) such modification is of a formal, minor or technical nature or is made to correct a manifest error, or an error which is, in the opinion of the Trustee, proven or is to comply with mandatory provisions of law.

(ii) Notwithstanding the provisions of Condition 12(c)(i) (*Modifications*) or Condition 12(d) (*Waiver*), the Trustee shall be obliged, without any consent or sanction of the Noteholders or any of the other Secured Creditors, to concur with the Issuer in making any modification (other than in respect of a Reserved Matter, for which an Extraordinary Resolution of each Class of Noteholders affected thereby approving such modification will be required) to the Trust Documents, these Conditions or any other Transaction Document to which it is a party or in relation to which it holds security that the Issuer considers necessary:

(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 Servicer, on behalf of the Issuer, certifies in writing to the Trustee that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement or reflect such criteria; and

II. in the case of any modification to a Transaction Document proposed by any Swap Counterparty, the Account Bank, the Cash Administrator or the Transaction 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):

i a Swap Counterparty, the Account Bank, the Cash Administrator or the Transaction Account Bank, as the case may be, certifies in writing to the Issuer and the Trustee that such modification is necessary for the purposes described in paragraph II(x) and/or (y) above; and

ii with respect to each Rating Agency, either:

- a. a Swap Counterparty, the Account Bank, the Cash Administrator or the Transaction Account Bank, as the case may be, obtains from such Rating Agency written confirmation that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes or Class B Notes by such Rating Agency or (y) such Rating Agency placing Class A Notes or Class B Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer and the Trustee; or
- b. the Servicer, on behalf of the Issuer, certifies in writing to the Trustee that it has notified such Rating Agency of the proposed modification and, in its opinion, formed on the basis of due consideration and consultation with such Rating Agency (including, as applicable, upon receipt of oral confirmation from an appropriately authorised person at such Rating Agency), such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes or Class B Notes by such Rating Agency or (y) such Rating Agency placing the Class A Notes or Class B Notes on rating watch negative (or equivalent); or

(B) for the purpose of:

- I. enabling the Issuer and/or a Swap Counterparty to comply with any obligation which applies to it under Articles 9, 10 and 11 of EMIR;
- II. enabling the Issuer and/or a Swap Counterparty to comply with any other obligation which applies to it under EMIR, or
- III. enabling the Retention Holder and/or the Sponsor to comply with any of the E.U. Risk Retention Requirements or any of the U.S. Credit Risk Retention Requirements after the Closing Date,

provided that the Servicer, on behalf of the Issuer, or a Swap Counterparty, the Retention Holder or the Sponsor, as appropriate, certifies to the Trustee in writing that such modification is required solely for such purpose (the certificate to be provided by the relevant Transaction Party pursuant to subparagraph (A) or (B) above, being a **Modification Certificate**);

(C) for the purpose of changing the base rate (in respect of the Class A1 Notes) from USD LIBOR and/or (in respect of the Class A2 Notes) from GBP LIBOR to an alternative base rate (any such rate, an **Alternate Base Rate**) and make such other amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change (a **Base Rate Modification**), provided that:

- I. the Servicer, on behalf of the Issuer, certifies to the Trustee in writing (such certificate, a **Base Rate Modification Certificate**) that:



- i. such Base Rate Modification is being undertaken due to:
  - (1) a material disruption to LIBOR, an adverse change in the methodology of calculating LIBOR or LIBOR ceasing to exist or be published;
  - (2) the insolvency or cessation of business of the LIBOR administrator (in circumstances where no successor LIBOR administrator has been appointed);
  - (3) a public statement by the LIBOR administrator that it will cease publishing LIBOR permanently or indefinitely (in circumstances where no successor LIBOR administrator has been appointed that will continue publication of LIBOR);
  - (4) a public statement by the supervisor of the LIBOR administrator that LIBOR has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
  - (5) a public statement by the supervisor of the LIBOR administrator that means LIBOR may no longer be used or that its use is subject to restrictions or adverse consequences; or
  - (6) the reasonable expectation of the Servicer that any of the events specified in sub-paragraphs (1), (2), (3), (4) or (5) will occur or exist within six months of the proposed effective date of such Base Rate Modification; and
- ii. such Alternative Base Rate is:
  - (1) a base rate published, endorsed, approved or recognised by the Federal Reserve or the Bank of England, any regulator in the United States, the United Kingdom or the European Union or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing);
  - (2) the Sterling Over Night Index Average or the Broad Treasuries Repo Financing Rate (or any rate which is derived from, based upon or otherwise similar to either of the foregoing);
  - (3) a base rate utilised in a material number of publicly-listed new issues of Sterling-denominated and Dollar-denominated asset backed floating rate notes prior to the effective date of such Base Rate Modification;
  - (4) a base rate utilised in a publicly-listed new issue of Sterling-denominated or Dollar-denominated asset

backed floating rate notes where the originator of the relevant assets is an Affiliate of Santander UK Group Holdings plc; or

- (5) such other base rate as the Servicer reasonably determines,

provided that, in the case of any modification made pursuant to sub-paragraph (A), (B) or (C) above:

- I. at least 30 days' prior written notice of any such proposed modification has been given to the Trustee;
- II. the Modification Certificate or Base Rate Modification Certificate, as applicable, in relation to such modification is provided to the Trustee both at the time the Trustee is notified of the proposed modification and on the date that such modification takes effect;
- III. the consent of each Secured Creditor which is party to the relevant Transaction Document (with respect to a Base Rate Modification, any Transaction Document proposed to be amended by such Base Rate Modification) or which has a right to consent to such modification pursuant to the provisions of the relevant Transaction Document has been obtained;
- IV. the person who proposes such modification pays (or arranges for the payment of) all fees, costs and expenses (including legal fees) incurred by the Issuer and the Trustee and each other applicable party including, without limitation, any of the Agents, the Account Bank and the Transaction Account Bank (if any), in connection with such modifications;
- V. other than in the case of a modification pursuant to sub-paragraph (A) II or (B) I or III above, with respect to each Rating Agency, either:
  - i the Issuer obtains from such Rating Agency written confirmation that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes or Class B Notes by such Rating Agency or (y) such Rating Agency placing any Class A Notes or Class B Notes on rating watch negative (or equivalent); or
  - ii the Issuer certifies in writing to the Trustee that it has notified such Rating Agency of the proposed modification and, in its opinion, formed on the basis of due consideration and consultation with such Rating Agency (including, as applicable, upon receipt of oral confirmation from an appropriately authorised person at such Rating Agency), such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes or Class B Notes by such Rating Agency or (y) such Rating Agency placing the Class A Notes

or Class B Notes on rating watch negative (or equivalent);  
and

- VI. other than in the case of a modification pursuant to sub-paragraph (B) I or III above, (i) the Issuer has provided at least 30 days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 13 (*Form of Notices*) and by publication on Bloomberg on the "Company News" screen relating to the Notes, and (ii) Noteholders representing at least 10 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class then outstanding have not contacted the Trustee 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 Trustee that such Noteholders do not consent to the modification.

If Noteholders representing at least 10 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class then outstanding have notified the Trustee 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 that such Noteholders do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Controlling Class then outstanding is passed in favour of such modification in accordance with Condition 12(a)(ii) (*Meetings of Noteholders*) or Condition 12(b) (*Resolutions in Writing*).

Objections made in writing other than through the applicable Clearing System must be accompanied by evidence to the Trustee's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

- (iii) When implementing any modification in accordance with Condition 12(c)(ii) (*Modifications*) (save to the extent the Trustee considers that the proposed modification relates to a Reserved Matter, for which an Extraordinary Resolution of each Class of Noteholders affected thereby approving such modification will be required), the 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 relevant Transaction Party pursuant to Condition 12(c)(ii) (*Modifications*) 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.
- (iv) The Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Trustee would have the effect of (a) exposing the Trustee to any liability against which it has not been indemnified and/or prefunded and/or secured to its satisfaction or (b) increasing the obligations or duties, or decreasing the protections, rights or indemnities, of the Trustee in the Transaction Documents and/or these Conditions.
- (v) Any modification made to the Trust Documents, the Conditions or any other Transaction Document falling outside the scope of Conditions 12(c)(i) (*Modifications*) and (ii) above will require the consent of Noteholders of the

Controlling Class by Extraordinary Resolution in accordance with these Conditions (other than in respect of a Reserved Matter, for which an Extraordinary Resolution of each Class of Noteholders affected thereby will be required).

- (vi) No modification referred to in this Condition 12(c) (*Modifications*) (other than pursuant to Condition 12(c)(ii)(C)) may increase or reduce in any manner the amount of, or accelerate or delay the timing of, or change the allocation or priority of, collections or distributions that are required to be made for the benefit of the Secured Creditors without the consent of all of the affected Secured Creditors (except in respect of the Noteholders and a Reserved Matter as set forth under Condition 12(a)(ii) (*Meetings of Noteholders*)).
- (vii) Unless the Trustee agrees otherwise, the Issuer shall notify, or shall cause notice thereof to be given to, the Noteholders and the other Secured Creditors of any such modifications in accordance with Condition 13 (*Form of Notices*) as soon as practicable thereafter.

(d) *Waiver*

The Trustee may at any time and from time to time in its sole discretion, without the consent or sanction of the Noteholders or any other Secured Creditor, authorise or waive any proposed or actual breach of any of the covenants or provisions contained in the Trust Documents, the Conditions or any other Transaction Documents (including, without limitation, an Issuer Event of Default) if, in the opinion of the Trustee, such authorisation or waiver will not be materially prejudicial to the interests of the Controlling Class (and, for the avoidance of doubt, the Trustee shall be entitled to assume, without further investigation or inquiry, that such authorisation or waiver will not be materially prejudicial to the interests of the Controlling Class if a Rating Agency Confirmation is provided by each of the Rating Agencies in accordance with Condition 14.4 (*Confirmation from Rating Agencies*)), except as set forth in item (i) below.

- (i) The Trustee shall not authorise or waive any proposed or actual breach pursuant to this Condition 12(d) (*Waiver*):
  - (A) relating to a Reserved Matter, unless the holders of each Class of Notes then outstanding affected thereby have by Extraordinary Resolution consented to such authorisation or waiver; or
  - (B) in contravention of (1) any express direction by an Extraordinary Resolution of the holders of the Controlling Class or (2) a request or direction in writing made by holders of the Controlling Class holding more than 50 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class; **provided that** no such direction or request shall affect any authorisation or waiver previously given or made by the Trustee.
- (ii) Unless the Trustee agrees otherwise, the Issuer shall notify, or shall cause notice thereof to be given to, the Noteholders and the other Secured Creditors of any such authorisation or waiver in accordance with Condition 13 (*Form of Notices*) as soon as practicable thereafter.

(e) *Binding Nature*

Any authorisation, waiver or modification referred to in this Condition 12 (*Meetings of Noteholders, Modifications, Waiver, Substitution and Exchange*) shall be binding on the Noteholders and the other Secured Creditors.

### 13. Form of Notices

So long as the Notes are listed on the Official List and traded on the regulated market of the Stock Exchange and the rules of the Stock Exchange so permit, all notices relating to the Class A Notes and the Class B Notes shall be published by delivery to the applicable clearing system. Any such notice shall be deemed to have been given to all Class A Noteholders and Class B Noteholders, as applicable, on the same day that such notice was delivered to the applicable clearing system. Notices relating to the Notes may also be published on the announcements section of the website of the Stock Exchange, on the applicable page of the Reuters screen, Bloomberg screen or any other medium for electronic display of data as may be approved by the Trustee.

### 14. Miscellaneous

#### 14.1 *Trustee's Right to Indemnity*

Under the Transaction Documents, the Trustee is entitled to be indemnified and/or prefunded and/or secured and relieved from responsibility in certain circumstances and to be paid or reimbursed for any liabilities incurred by it in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer or any other party and any entity relating to the Issuer without accounting for any profit.

#### 14.2 *Trustee Not Responsible for Loss or for Monitoring*

The Trustee shall not be responsible for monitoring the compliance by any of the other Transaction Parties with their obligations under the Transaction Documents.

#### 14.3 *Regard to Classes of Noteholder*

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will:

- (a) have regard to the interests of each Class of Noteholders as a Class and will not be responsible for any consequence for individual Noteholders as a result of such holders being domiciled or resident in, or otherwise connected in any way with, or subject to the jurisdiction of, a particular territory or taxing jurisdiction; and
- (b) in the event of a conflict of interests of holders of different Classes, have regard only to the holders of the Controlling Class of outstanding Notes and will not have regard to any other Class of Notes nor to the interests of the other Secured Creditors except to ensure the application of the Issuer's funds after the delivery of an Enforcement Notice in accordance with the Post-Enforcement Priority of Payments.

#### 14.4 *Confirmation from Rating Agencies*

In respect of the exercise of any right, power, duty or discretion as contemplated hereunder, the Trustee will be entitled to take into account any written confirmation or affirmation (in any form acceptable to the Trustee) from the relevant Rating Agencies that the then current ratings of the Class A Notes and/or the Class B Notes will not be reduced, qualified or withdrawn thereby (a **Rating Agency Confirmation**).

If:

- (a) a Rating Agency Confirmation or other response by a Rating Agency is a condition to any action or step under any Transaction Document;

- (b) a written request for such Rating Agency Confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Trustee) and one Rating Agency (such Rating Agency, a **Non-Responsive Rating Agency**) indicates that it does not consider such confirmation or response necessary in the circumstances or, within 30 days of delivery of such request, elicits no confirmation, response or statement by such Rating Agency that such confirmation or response could not be given; and
- (c) one Rating Agency gives such Rating Agency Confirmation or response based on the same facts,

then such condition shall be deemed to be modified with respect to the facts set out in the request referred to in paragraph (b) above so that there shall be no requirement for the Rating Agency Confirmation or response from the Non-Responsive Rating Agency.

The Trustee shall be entitled to treat as conclusive a certificate by any director, officer or employee of the Issuer, the Servicer, any investment bank or financial adviser acting in relation to the Notes as to any matter referred to in paragraph (b) above, in the absence of manifest error or the Trustee having facts contradicting such certificates specifically drawn to its attention, and the Trustee shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be caused as a result.

#### 14.5 *Cancellation*

All Notes redeemed in full in accordance with Condition 7 (*Redemption*) and all Global Notes lost, stolen, destroyed, damaged, mutilated or defaced and surrendered in accordance with Condition 14.6 (*Replacement of Global Notes*) will be cancelled forthwith by the Issuer (or the Paying Agent on its behalf) in accordance with the Agency Agreement and may not be reissued or resold.

#### 14.6 *Replacement of Global Notes*

If any Global Note is lost, stolen, damaged or destroyed, it may be replaced by the Issuer upon payment by the claimant of the costs arising in connection therewith. As a condition of replacement, the Issuer may require the fulfilment of certain conditions, the provision of proof regarding the existence of indemnification and/or the provision of adequate collateral. In the event of any of the Global Notes being damaged, such Global Note shall be surrendered before a replacement is issued.

#### 14.7 *Governing Law*

Each of the Trust Deed, the Deed of Charge, the Global Notes and the Conditions (and, in each case, any non-contractual obligations, arising out of or in connection therewith) are and will be governed by, and construed in accordance with, English law.

#### 14.8 *Jurisdiction*

The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Deed of Charge, the Global Notes and the Conditions. The Issuer hereby submits to the jurisdiction of such courts. Such courts shall have exclusive jurisdiction over the annulment of the Global Notes in the event of their loss or destruction.

#### 14.9 *Prescription*

- (a) **Principal:** Claims for principal in respect of Notes shall become void where application for payment is made more than ten years after the due date therefor.

- (b) **Interest:** Claims for interest in respect of Notes shall become void where application for payment is made more than five years after the due date therefor.

## 15. Definitions

In these Conditions, capitalised terms have the meanings given to them in the Master Definitions and Construction Schedule dated on or about the Closing Date and signed for identification purposes by, *inter alios*, the Issuer and the Trustee. A summary of certain defined terms is set out in the section headed “*Glossary of Defined Terms*” in this Prospectus. These summaries are qualified by the terms of the Transaction Documents.

## 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 and the Conditions of the Notes. 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 Agreement**

On any Purchase Date, commencing with the Initial Purchase Date and thereafter on any Further Purchase Date, the Issuer will purchase the Purchased Receivables and the Related Collateral from the Seller pursuant to the Receivables Sale Agreement. The Issuer will be entitled to payments in respect of the Purchased Receivables received on or after the relevant Reference Date preceding the given Purchase Date.

To be eligible for sale to the Issuer each Receivable and any part thereof will have to comply with all of the Eligibility Criteria set out in “*Eligibility Criteria*”. The Seller represents, undertakes and warrants on each Purchase Date that the Purchased Receivables, the Related Collateral and the related Underlying Agreements (as applicable) are in compliance with the Eligibility Criteria set out in the Receivables Sale Agreement.

The sale and transfer of the Purchased Receivables and Related Collateral by the Seller for the Purchase Price will constitute a sale without recourse. In general, the Seller will not bear the risk of the inability of any Customers to pay under the relevant Underlying Agreement. However, the receipt of Senior Deferred Consideration by the Seller will be affected by the inability of Customers to pay any Guaranteed Future Value Payment due under the relevant PCP Agreements.

The sale and transfer of the Scottish Receivables and Related Collateral by the Seller to the Issuer on the Initial Purchase Date, and thereafter on a Further Purchase Date, will be given effect to by Scottish Transfers entered into on each of the Initial Purchase Date and each Further Purchase Date, pursuant to which the Seller’s beneficial interest in the Scottish Receivables and Related Collateral will be transferred to the Issuer.

During the Revolving Period, the Seller may sell and assign specified Further Receivables and their Related Collateral to the Issuer on Further Purchase Dates. These Further Receivables (including Scottish Receivables) and their Related Collateral will be specified in a Notice of Sale furnished to the Issuer and the Seller will represent that such Further Receivables and their Related Collateral will comply in all respects with the Eligibility Criteria. Such Further Receivables will be purchased by the Issuer from Available Distribution Amounts designated for that purpose in the Pre-Enforcement Priority of Payments.

The Revolving Period, within which such Further Receivables may be sold, commences on (and includes) the Closing Date and ends on (but excludes) the earlier of (i) the Revolving Period End Date and (ii) the Revolving Period Termination Date.

### ***Consideration***

Consideration for the Purchased Receivables and the Related Collateral will be comprised of (i) cash payments in the form of the Initial Purchase Price and the Further Receivables Purchase Price (as applicable) and (ii) deferred consideration in the form of the Senior Deferred Consideration and the Junior Deferred Consideration, in each case payable by the Issuer to the Seller on each relevant Payment Date and subject to the conditions on payment of such amounts in the Conditions and the Receivables Sale Agreement.

The Initial Purchase Price (£598,802,048.78) will be payable by the Issuer to the Seller on the Initial Purchase Date and funded from the proceeds of the Notes.

Any Further Receivables Purchase Price will be payable by the Issuer to the Seller on a Further Purchase Date and comprised of the initial consideration payable by the Seller in respect of each relevant Purchased



Receivable and its Related Collateral, being the Asset Amount Outstanding on the Reference Date immediately preceding such Further Purchase Date. Any Further Receivables Purchase Price will be funded from amounts allocated for that purpose under the Pre-Enforcement Priority of Payments.

Senior Deferred Consideration will be payable by the Issuer to the Seller on each relevant Payment Date, and comprised of amounts received from a Customer in respect of any Purchased Receivables subject to a PCP Agreement which are apportioned by the Servicer to the Guaranteed Future Value Payment component of such PCP Agreements (to the extent such amounts constitute Collections) pursuant to the terms of the Receivables Sale Agreement and the Servicing Agreement. See “*Description of the Portfolio—PCP Agreements*”. The Seller may not assign or transfer or purport to assign or transfer any of its rights under the Receivables Sale Agreement, including its right to receive Senior Deferred Consideration.

Junior Deferred Consideration will be payable by the Issuer to the Seller on each relevant Payment Date, and comprised of (i) on any Payment Date prior to the delivery of an Enforcement Notice, the difference (if any) between the Available Distribution Amount and the sum of all amounts payable or to be applied (as the case may be) by or on behalf of the Issuer under items (a) to (p) (during the Revolving Period but prior to a Principal Payment Trigger Event) or items (a) to (v) (on and after the Revolving Period End Date and prior to a Principal Payment Trigger Event) or items (a) to (t) (on and after a Principal Payment Trigger Event) (inclusive) of the Pre-Enforcement Priority of Payments on such Payment Date; and (ii) on any Payment Date or other date on which the Post-Enforcement Priority of Payments is applied, following the delivery of an Enforcement Notice, the difference (if any) between any amounts standing to the credit of the Issuer Accounts on such date (other than items (1), (2), (3), (4), and (5) in the first paragraph of Condition 7.9) and the sum of all amounts payable or applied (as the case may be) by or on behalf of the Trustee under items (a) to (o) (inclusive) of the Post-Enforcement Priority of Payments on such Payment Date or other date. The Seller may not assign or transfer or purport to assign or transfer any of its rights under the Receivables Sale Agreement, including its right to receive Junior Deferred Consideration.

### ***Representations, Warranties and Undertakings***

The Seller will make, among others, the following representations and warranties (which form part of the Seller Asset Warranties) to the Issuer with respect to the Purchased Receivables on each Purchase Date:

- (i) *Compliance with Eligibility Criteria*: Each Purchased Receivable and each Underlying Agreement complies in all respects with the Eligibility Criteria on its Purchase Date (see “*Eligibility Criteria*”);
- (ii) *Status*: Each Underlying Agreement was entered into on the terms of one of the Standard Form Underlying Agreements without alteration or addition to the form (other than the form being completed in accordance with the Seller’s policies);
- (iii) *No Customer Default*: So far as the Seller is aware, there is no material default, breach or violation under any Underlying Agreement which has not been remedied and which either (i) affects the amount or Collectability of the Receivables, or (ii) causes the relevant Purchased Receivable not to comply with the Eligibility Criteria;
- (iv) *Insurance*: The terms of each Underlying Agreement require the Customer thereunder to insure the related Financed Vehicle on a continuous and uninterrupted basis for at least their day-to-day replacement value and against claims for injury, loss or damage caused by the Financed Vehicle or its use;
- (v) *Fraud by the Customer*: No Underlying Agreement has, to the best of the Seller’s knowledge: (a) been entered into fraudulently by the related Customer; or (b) been passed to the claims or legal department or referred to external lawyers other than in respect of the issue by the Seller of letters demanding payment which are issued in the ordinary course of business;

- (vi) *Fraud by the Seller:* To the best of the Seller's knowledge, no Underlying Agreement has been entered into as a consequence of any conduct constituting fraud, misrepresentation, duress or undue influence by the Seller, its directors, officers or employees;
- (vii) *Modification:* No Underlying Agreement has been subject to any variation, amendment, modification, waiver or exclusion of any kind which in any material way adversely affects the terms of the related Purchased Receivable or its enforceability or Collectability; and
- (viii) *No Termination or Right of Rescission:* No Underlying Agreement has been frustrated, nor has any event occurred which would make any Underlying Agreement subject to force majeure or any right of rescission and there is no right or entitlement of any kind for the non-payment of the full amount of any Purchased Receivable under the relevant Underlying Agreement when due (other than with respect to Purchased Receivables which are subject to PCP Agreements) and no Underlying Agreement has been terminated as of the Purchase Date on which the related Purchased Receivable was purchased.

A breach of any representation described above or any additional Seller Asset Warranties set forth in the Receivables Sale Agreement that, in each case, materially and adversely affects the Issuer's interest in the affected Purchased Receivable (without regard to credit enhancement if any) and, if such breach is capable of remedy, is not remedied within the grace period specified below, is considered a Seller Asset Warranty Breach. A Purchased Receivable subject to a Seller Asset Warranty Breach is referred to as a **Non-Compliant Receivable**.

Upon the occurrence of a Seller Asset Warranty Breach, unless such Seller Asset Warranty Breach is a breach of either item (b) or (c) of the definition of Concentration Limits, or if a Purchased Receivable is found not to exist, the Seller shall repurchase the related Non-Compliant Receivable and its Related Collateral at the Non-Compliant Receivable Repurchase Price.

If a breach capable of becoming a Seller Asset Warranty Breach is capable of remedy, the Issuer shall select a date for the repurchase of the relevant Receivable and its Related Collateral, in any event to be no earlier than the 30th Business Day following the Seller becoming actually aware, or being notified, of such breach, in order to give the Seller time to remedy the breach. If the Seller does not remedy the breach within that time period, it shall repurchase the Non-Compliant Receivable and its Related Collateral on the date selected by the Issuer.

If a breach capable of becoming a Seller Asset Warranty Breach is not capable of remedy, the Seller shall repurchase the Non-Compliant Receivable and its Related Collateral no later than the 30th Business Day following the Seller becoming actually aware, or being notified, of the Seller Asset Warranty Breach.

If a Purchased Receivable is found not to exist or if there has been a breach of the limits specified in item (b) or (c) of the definition of Concentration Limits (see "*Glossary of Defined Terms*" for a summary of the Concentration Limits), the Seller will not be obliged to repurchase such non-existent Purchased Receivable or, as the case may be, repurchase any Purchased Receivables for the purpose of rectifying such breach of the Concentration Limits, but will instead be required to indemnify the Issuer in an amount calculated by the Servicer as equal to the portion of the Purchase Price related to the relevant Purchased Receivable or such number of Purchased Receivables as would no longer cause a breach of the relevant Concentration Limit. Such indemnified amount shall be due and payable by the Seller within ten Business Days of receipt of a written notice of such breach in respect of the non-existent Purchased Receivable from the Issuer.

In addition, following a breach of any Seller Warranty (excluding a Seller Asset Warranty), the Seller shall promptly (but in any event within one Business Day) notify the Issuer. Within five Business Days of notification by the Seller, the Issuer (or the Cash Administrator acting on its behalf) will calculate and notify the Seller of the amount of the Compensation Payment (if any) in respect of such breach.

The Seller must pay the Compensation Payment to the Issuer within 10 Business Days of notification by the Issuer. If the Seller objects to the amount of the Compensation Payment, the Seller may negotiate with the Issuer. If an amicable decision cannot be reached, an independent accountant must be appointed by the Issuer and the Seller to determine the amount of the Compensation Payment.

Pursuant to the Receivables Sale Agreement, the Seller further provides certain undertakings to the Issuer in respect of the assets comprising the Portfolio, including that it will not cause any steps to be taken in respect of the Purchased Receivables and Related Collateral, save in accordance with the Underlying Agreements, the Transaction Documents and applicable law, which would involve the novation or the modification or waiver of any material provision of any Underlying Agreement other than any Permitted Variation effected in accordance with the Credit and Collection Policy. Where the Seller makes, in the ordinary course of business, a non-Permitted Variation, the Seller may also direct the Issuer to sell the relevant Purchased Receivable and its Related Collateral to the Seller. Such Purchased Receivable and Related Collateral which are the subject of the non-Permitted Variation shall constitute a Non-Compliant Receivable and be repurchased by the Seller at the Non-Compliant Receivable Repurchase Price.

#### ***Notification of Change to Underwriting Standards***

Pursuant to the Receivables Sale Agreement, the Seller undertakes to immediately notify the Trustee in writing if, prior to the end of the Revolving Period, it materially alters, amends or makes any material change to the Standard Form Underlying Agreements or amends its underwriting policy to significantly deviate from the policies SCUK has in place from time to time in connection with its business of originating auto loans.

#### ***Insurance and Financed Vehicles***

The proceeds of any insurance claims in respect of a Financed Vehicle form part of the Related Collateral. Any insurance proceeds received by the Seller or the Servicer in respect of damage to such Financed Vehicle will be used towards the repair of such damaged Financed Vehicle or, if incapable of repair, included in Collections and applied towards repayment under the relevant Underlying Agreement.

#### ***Notification of Assignment***

Following the occurrence of a Notification Event, the Trustee may require the Seller to deliver (or cause to be delivered) a Notification Event Notice to each Customer notifying them of the assignment and transfer of the Purchased Receivables and Related Collateral by it to the Issuer. Should the Seller fail to deliver (or cause to be delivered) a Notification Event Notice within five Business Days of being requested to do so by the Issuer, the Issuer (or the Servicer) may (at the Seller's cost), deliver such Notification Event Notice itself. Following delivery of such Notification Event Notice, each Customer will be required to make all payments to the Transaction Account in order to obtain valid discharge of its payment obligations in respect of the related Underlying Agreement.

#### ***Clean-Up Call Option***

On any Payment Date on or following the Payment Date on which all of the Class A Notes have been redeemed in full, the Seller will be entitled (but not obliged) to exercise the Clean-Up Call Option and repurchase all of the outstanding Purchased Receivables and Related Collateral at the Repurchase Price. On the Early Redemption Date on or immediately following the Seller's exercise of the Clean-Up Call Option, the Issuer shall redeem the Class B Notes and the Class C Note in full.

The Repurchase Price in respect of the Clean-Up Call Option shall be sufficient to fully satisfy the payment obligations of the Issuer under the Class B Notes and the Class C Note together with all amounts ranking prior thereto in the relevant Priority of Payments. The Issuer will retransfer the Purchased Receivables and Related Collateral to the Seller upon receipt of the full Repurchase Price. The resale and retransfer will be without any recourse against, or warranty or guarantee of, the Issuer. See "*Terms and Conditions of the Notes—Redemption—Early Redemption*".

### ***Tax Call Option***

If the Issuer determines that it is unable to avoid a deduction or withholding as described in Condition 7.6 (*Optional Redemption for Taxation Reasons*), the Issuer may require the Seller, at the Issuer's option, to repurchase all of the outstanding Purchased Receivables (together with any Related Collateral) at the Repurchase Price and, upon exercise of such option, the Issuer will be required to fully redeem all (but not some only) of the Notes on the Early Redemption Date. The Repurchase Price payable on the Early Redemption Date shall be (i) calculated as at the end of the Collection Period immediately preceding the Early Redemption Date and (ii) sufficient, when applied in accordance with the Pre-Enforcement Priority of Payments, to redeem in full (and pay all accrued but unpaid amounts of interest) in respect of the Notes.

The Issuer will retransfer the Purchased Receivables and Related Collateral to the Seller upon receipt of the full Repurchase Price. The resale and retransfer will be without any recourse against, or warranty or guarantee of, the Issuer. See "*Terms and Conditions of the Notes—Redemption—Optional Redemption for Taxation Reasons*".

### ***Repurchase of Defaulted Receivables***

The Seller will also have the option, on any Business Day which is no fewer than five Business Days prior to a Payment Date, to repurchase from the Issuer on any Payment Date any outstanding Defaulted Receivable.

The Seller may, from time to time and in its absolute discretion, invite certain debt purchase agencies to bid for portfolios of Defaulted Receivables which have been deemed uncollectable according to the Credit and Collection Policy. The Seller would expect to sell the portfolio of repurchased Defaulted Receivables to the debt purchase agency which places the highest bid. The Issuer will have the benefit of any such purchase amounts or Collections deriving therefrom.

### ***Applicable Law***

The Receivables Sale Agreement will be governed by English law. Each Scottish Transfer will be governed by Scots law. The courts of England will have exclusive jurisdiction to settle any disputes that may arise out of or in connection therewith.

### ***Servicing Agreement***

Pursuant to the Servicing Agreement, the Servicer will be appointed to service the Purchased Receivables and the Related Collateral, collect and, if necessary, enforce or otherwise realise the Purchased Receivables and enforce the Related Collateral and pay all proceeds to the Issuer. The Servicer will act as agent of the Issuer under the Servicing Agreement.

### ***Servicer's Duties***

Under the Servicing Agreement, the Servicer will, in accordance with the procedures described in the Credit and Collection Policy (see "*Credit and Collection Policy*"), perform certain servicing and ancillary duties (the **Services**), as follows:

- endeavour at its own expense to recover amounts due from the Customers;
- keep and maintain records, account books and documents in relation to the Purchased Receivables and the Related Collateral identifiable as belonging to the Issuer;
- hold all Records relating to the Purchased Receivables in its possession to the order of the Issuer;
- assist the Issuer in discharging any Related Collateral in respect of any Purchased Receivables which have been paid;

- exercise the Enforcement Procedures;
- pay the proceeds of any Enforcement Procedures to the Issuer as Collections; and
- prepare and make available, on a monthly basis, the Monthly Report and the Investor Report containing updated information with respect to the Portfolio.

The Servicer will perform the Services and its obligations under the Transaction Documents to which it is a party with all due care, skill and diligence and in good faith and exercise a level of skill, care and attention as it would if it were managing comparable assets for itself and in accordance with practices and procedures generally followed by a reasonably prudent servicer of auto loans and conditional sale contracts, acting reasonably. The Servicer will ensure that it has all required licences, approvals, authorisations, registrations and consents which are necessary for the performance of its duties under the Servicing Agreement.

The Issuer shall pay the Servicer, on each Payment Date, an amount (inclusive of VAT, if any) equal to 0.75 per cent. per annum of the aggregate of (i) the Aggregate Asset Amount Outstanding; and (ii) the Guaranteed Future Value Payment component of Purchased Receivables subject to PCP Agreements, in each case determined as at the Calculation Date immediately preceding such Payment Date.

### ***Use of Third Parties***

The Servicer may appoint a sub-contractor to carry out the Services, provided that the Servicer shall:

- use reasonable skill to select a sub-contractor;
- remain responsible for the Services and not be discharged from any liability under the Servicing Agreement (further, no liability shall arise on behalf of the Issuer or the Trustee for any termination of a sub-contract);
- ensure any sub-contractor acknowledges monies belonging to the Issuer are held on trust for the Issuer and acknowledges ownership by the Issuer or the Trustee of assets belonging to the Issuer or the Trustee; and
- not enter into a new sub-contract if it would lead to a reduction, qualification or withdrawal of the ratings of the Class A Notes or the Class B Notes.

### ***Apportionment of Collections in respect of Purchased Receivables arising from PCP Agreements***

Any amounts received from a Customer with respect to any PCP Agreement, to the extent such amounts constitute Collections, shall be apportioned by the Servicer between Scheduled Payments and the Guaranteed Future Value Payment as follows:

- where, on maturity of the relevant PCP Agreement, the Customer opts to pay the Guaranteed Future Value Payment (either directly or in connection with a refinancing or a trade-in transaction), the aggregate amount of the final balloon payment(s) received from the Customer shall be apportioned by the Servicer to the Guaranteed Future Value Payment component of such PCP Agreement;
- where, on maturity of the relevant PCP Agreement, the Customer opts to return the related Financed Vehicle instead of paying the Guaranteed Future Value Payment, the Seller will (pursuant to the terms of the PCP Agreement) sell the Financed Vehicle on behalf of the Customer and the Net Sale Proceeds (plus, if such Net Sale Proceeds are less than the amount of the Guaranteed Future Value Payment, an amount equal to that shortfall, contributed by the Seller) shall be apportioned by the Servicer to the Guaranteed Future Value Payment component of such PCP Agreement (see “—*Receivables Sale Agreement*”);

- where, prior to maturity of the relevant PCP Agreement, the Customer opts to exercise its right of Voluntary Termination under the CCA and return the related Financed Vehicle and pay any amounts payable on Voluntary Termination under the CCA, the aggregate Voluntary Termination amount and the Net Sale Proceeds shall be apportioned by the Servicer (i) first, to all Scheduled Payments due under the relevant PCP Agreement and (ii) second, to the Guaranteed Future Value Payment due under the relevant PCP Agreement (see “*Risk Factors—Regulatory and Tax Risks—Consumer Credit Act 1974*” and “*Credit and Collection Policy—Credit Recoveries Process—Voluntary Terminations*”); and
- where, prior to maturity of the relevant PCP Agreement, the Customer defaults under the PCP Agreement and the Seller retains title to the Financed Vehicle, the aggregate value of the related Financed Vehicle repossessed from the Customer shall be apportioned by the Servicer (i) first, to all Scheduled Payments due under the relevant PCP Agreement and (ii) second, to the Guaranteed Future Value Payment due under the relevant PCP Agreement (and the Seller may repurchase any Defaulted Receivable and its Related Collateral pursuant to the terms of the Receivables Sale Agreement) (see “*Overview of the Transaction Documents—Receivables Sale Agreement—Repurchase of Defaulted Receivables*”, “*Credit and Collection Policy*”, “*Risk Factors—Regulatory and Tax Risks—Consumer Credit Act 1974*”, and “*Risk Factors—Other Considerations Relating to the Notes—No transfer of title to Financed Vehicles*”).

Amounts apportioned by the Servicer to the Scheduled Payments component of PCP Agreements shall be applied as Available Distribution Amounts in accordance with the applicable Priority of Payments. Amounts apportioned by the Servicer to the Guaranteed Future Value Payment component of PCP Agreements shall be payable to the Seller as Senior Deferred Consideration in accordance with the Receivables Sale Agreement. See “*Description of the Portfolio—PCP Agreements*”.

#### ***Cash Collection Arrangements Following a Notification Event Notice***

Following receipt by the Customers of a Notification Event Notice, Customers shall make payments directly to any Successor Servicer or the Transaction Account. If the Servicer receives any Collections following delivery of a Notification Event Notice, it will hold such Collections on trust until it transfers all amounts to the Transaction Account, or to an account at the direction of the Issuer. All payments will be made free of all bank charges and costs and without withholding or deduction for or on account of tax (unless required by law).

#### ***Information and Regular Reporting***

The Servicer will use all reasonable endeavours to safely maintain records in relation to each Purchased Receivable in computer readable form.

The Servicer shall, on or before each Reporting Date, deliver a Monthly Report relating to the previous Collection Period to the Issuer, the Trustee, the Cash Administrator and, where the Servicer is not SCUK, the Seller, and certify whether any Notification Event or Servicer Termination Event has occurred.

To the extent reasonably practicable and in addition to those reports required to be produced by the Servicer in accordance with the Servicing Agreement, the Servicer shall, subject to any applicable law or regulation (including the protection of each Customer’s personal data), prepare and deliver to the Issuer, the Cash Administrator, the Trustee and the Registrar such further information and/or reports whether in writing or otherwise as the Issuer, the Cash Administrator and the Trustee may reasonably require, and on reasonable notice, in connection with the Services and the performance of their duties, under the Transaction Documents.

The Servicer will prepare, on a monthly basis, an Investor Report in respect of each Collection Period. The Servicer will deliver the Investor Report to the Issuer, the Trustee, the Cash Administrator, the Back-up Servicer Facilitator and each Rating Agency no later than 12:00 noon (London time) on the second Business Day prior to each Payment Date and will assist the Cash Administrator in the preparation of the monthly

Payment Report, to be provided by the Cash Administrator three Business Days prior to each Payment Date in accordance with the Cash Administration Agreement. The Investor Report will be posted on the following website: [www.usbank.com/abs](http://www.usbank.com/abs). That website and the contents thereof do not form part of this Prospectus.

### ***Termination of, and Amendment to, Underlying Agreements and Enforcement***

If a Customer defaults on a Purchased Receivable, the Servicer will proceed in accordance with and abide by the Enforcement Procedures. If the Related Collateral is to be enforced, the Servicer will take such measures (at the cost of the Issuer) as it deems necessary or desirable to realise the Related Collateral.

The Servicer will pay to the Issuer the amounts recovered in accordance with the Enforcement Procedures to which the Issuer is entitled.

The Servicer may make amendments to the Underlying Agreements, provided that such amendments are in compliance with the Credit and Collection Policy and are permitted under the Transaction Documents.

### ***Termination of the Servicing Agreement***

The Servicing Agreement, and the appointment of the Servicer, may be terminated in the following circumstances (subject always to the provisions of the Servicing Agreement):

- ***Voluntary Termination.*** The Servicer may retire by giving 12 months' notice to the Issuer and Trustee, **provided that** prior to the expiration of such 12 month period the Issuer has appointed a Successor Servicer to perform the Services who has entered into a replacement servicing agreement on substantially the same terms as the Servicing Agreement. If a Successor Servicer has not been appointed within 12 months, the Servicer's appointment shall not terminate until such time as a Successor Servicer is appointed.
- ***Servicer Termination Event.*** Following the occurrence of a Servicer Termination Event, the Servicer shall deliver a Notification Event Notice to the Customers. The Issuer (with the consent of the Trustee) may then deliver a Servicer Termination Notice to the Servicer. Following receipt by the Servicer of a Servicer Termination Notice, the Servicer shall continue to provide the Services and perform any further acts as required by the Issuer until the appointment of a Successor Servicer and the Successor Servicer's entry into a replacement servicing agreement on substantially the same terms as the Servicing Agreement, whereupon the Servicer's appointment shall terminate.
- ***Legal Maturity Date.*** The Servicing Agreement shall terminate automatically on the Legal Maturity Date with no further acts required by any party.

Upon the appointment of a Successor Servicer, the Servicer will transfer to the Successor Servicer all Records and any and all related material, documentation and information. Any Successor Servicer is required to have licences, authorisations and registrations necessary to perform the Services.

The Issuer shall notify, or cause notice to be given to, the Rating Agencies, each of the Transaction Parties and the Noteholders of the appointment of a Successor Servicer.

### ***Insolvency Event in Respect of the Seller—Administrator Incentive Recovery Fee***

In order to maximise recoveries following an Insolvency Event of the Seller, and upon the request of an Insolvency Official of the Seller, the Servicer will negotiate the variable component of the Administrator Incentive Recovery Fee with the Seller's Insolvency Official. The fee compensates the Insolvency Official for costs incurred in attempting to make recoveries in respect of Financed Vehicles. The payment of an Administrator Incentive Recovery Fee ranks senior to payments of principal and interest on the Notes in both the Pre-Enforcement Priority of Payments and the Post-Enforcement Priority of Payments.

### ***Back-up Servicing Facilitation***

Under the Servicing Agreement, Banco Santander will agree to act as a Back-up Servicer Facilitator. In the event that a Servicer Termination Event has occurred, the Back-up Servicer Facilitator will be required to (i) use reasonable endeavours to select a Successor Servicer satisfying the requirements set out in the Servicing Agreement and willing to assume the duties of a Successor Servicer in the event that a Servicer Termination Notice is delivered, (ii) review the information provided to it by the Servicer under the Servicing Agreement, (iii) enter into appropriate data confidentiality provisions, (iv) verify and confirm that the terms of any replacement servicing agreement require the Successor Servicer to put in place new direct debit mandates, (v) notify the Servicer if it requires further assistance, (vi) assist the Servicer to deliver a Notification Event Notice with respect to a Servicer Termination Event, and/or (vii) verify and confirm that the terms of any replacement servicing agreement require the Successor Servicer to set up alternative payment arrangements with the Customers with respect to a Servicer Termination Event. The Issuer has agreed that it will not unreasonably refuse to appoint such entity in accordance with the Servicing Agreement.

### ***Limitation on Liability***

The Servicer's liability under the Servicing Agreement is limited to losses, claims, expenses or damages suffered or incurred as a direct result of its gross negligence, wilful deceit or fraud, or as a result of a breach by the Servicer of the Transaction Documents with respect to the servicing functions.

### ***Applicable Law***

The Servicing Agreement will be governed by English law. The courts of England will have exclusive jurisdiction to settle any disputes that may arise out of or in connection therewith.

### ***Deed of Charge***

The Trustee will hold the security granted to it under or pursuant to the Deed of Charge and exercise its rights and discharge its duties under the Transaction Documents as trustee for the benefit of the Secured Creditors.

### ***Creation of Security***

Under the terms of the Deed of Charge, the Issuer will assign or charge the following rights and claims (including any analogous rights and contingent rights to such rights and claims) in favour of the Trustee for the Trustee itself and as trustee for the Secured Creditors:

- (i) the Benefit of all Purchased Receivables together with any Related Collateral and all rights, claims and interests relating thereto;
- (ii) the Benefit of all rights, claims and interests to which the Issuer is now or may hereafter become entitled from or in relation to the Seller or the Servicer and/or any other party pursuant to or in respect of the Receivables Sale Agreement or the Servicing Agreement (including any replacement servicing agreement), including all rights of the Issuer relating to any additional security;
- (iii) the Benefit of all present and future rights, claims and interests to which the Issuer is now or may hereafter become entitled from or in respect of the Seller Accounts Declaration of Trust;
- (iv) the Benefit of all present and future rights, claims and interests to which the Issuer is now or may hereafter become entitled from or in relation to the relevant Transaction Parties and/or any other party pursuant to or in respect of the other Transaction Documents; and
- (v) the Benefit of all present and future rights, claims and interests in or in relation to any amounts standing to the credit of the Charged Accounts,



in each case including any and all related non-ancillary rights.

### ***Issuer Accounts***

Notwithstanding that all claims of the Issuer in respect of the Issuer Accounts have been transferred for security purposes to the Trustee, the Issuer (and the Cash Administrator on its behalf) are entitled to administer the Issuer Accounts in order to, among other things, make payments out of such accounts in accordance with the relevant Priority of Payments. The Trustee may revoke the authority granted to the Issuer and take any necessary action with respect to the Issuer Accounts if, in the opinion of the Trustee, this is necessary to protect the security granted pursuant to the Deed of Charge, including funds credited to the Issuer Accounts.

### ***Enforcement of the Security***

The Issuer has granted the Trustee the right to direct the Issuer as to how to deal with the charged property. The Security shall become enforceable upon the delivery of an Enforcement Notice and the Trustee may, at its discretion, institute such proceedings as it thinks fit to enforce its rights under the Trust Deed, the Notes and the other Transaction Documents.

At any time after the Notes shall have become due and repayable and the Security therefore shall have become enforceable, no Noteholder nor any other Secured Creditor will be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period of time and that failure is continuing.

The Deed of Charge will be governed by English law. The courts of England will have exclusive jurisdiction to settle any disputes that may arise out of or in connection therewith.

### ***Scottish Supplemental Security***

Under each Scottish Supplemental Security, the Issuer's present and future beneficial interest in, under and relative to the relevant Purchased Receivables and all Related Collateral (to the extent governed by or otherwise subject to Scots law) and the trust declared in favour of the Issuer pursuant to the relevant Scottish Transfer, will be assigned in favour of the Trustee for the Trustee itself and as trustee for the Secured Creditors on the Closing Date or a Further Purchase Date (as applicable).

Each Scottish Supplemental Security will be governed by Scots law.

### ***Subordinated Loan Agreement***

The Subordinated Loan Advance shall, and any Class A1 Principal Requirement Advances and Class A1 Additional Set Interest Amount Advances may, be made by the Subordinated Loan Provider to the Issuer under the Subordinated Loan Agreement.

The Subordinated Loan Advance, each Class A1 Principal Requirement Advance and each Class A1 Additional Set Interest Amount Advance shall accrue interest from time to time during an Interest Period at the rate per annum calculated as the sum of 100 basis points and the Sterling Reference Rate. The obligations of the Issuer to make payments of principal and interest (if any) to the Subordinated Loan Provider in respect of each Class A1 Principal Requirement Advance are separate from, and rank in priority to, the obligations of the Issuer to make payments to the Subordinated Loan Provider of any other amounts under the Subordinated Loan Agreement. The obligations of the Issuer to make payments of principal and interest to the Subordinated Loan Provider under the Subordinated Loan Advance and any Class A1 Additional Set Interest Amount Advance are subordinated to the obligations of the Issuer under the Notes and rank below the Notes and all other obligations of the Issuer (other than subordinated termination payments (if any) due to a Swap Counterparty and Junior Deferred Consideration) in accordance with the applicable Priority of Payments, in each case, as is more fully described under "*Credit Structure*" above.

The Subordinated Loan Provider has agreed to limited recourse and non-petition provisions in respect of the Issuer.

The Subordinated Loan Agreement will be governed by English law. The courts of England will have exclusive jurisdiction to settle any disputes that may arise out of or in connection therewith.

### **Swap Agreements**

The Issuer will enter into the Class A1 Swap Agreement and the Class A Swap Agreement with the applicable Swap Counterparty. For a description of these agreements, see “*Credit Structure—Swap Agreements*”, “*—Class A1 Swap*” and “*Credit Structure—Swap Agreements*”.

The Swap Agreements will be governed by English law. The courts of England will have exclusive jurisdiction to settle any disputes that may arise out of or in connection therewith.

### **Agency Agreement**

The Principal Paying Agent, the U.S. Paying Agent, the Registrar, the U.S. Registrar, the Agent Bank and the Calculation Agent will agree to act as agents of the Issuer. The substantive obligations of each Agent are set out below:

- *Registrar.* Responsible for the authentication and effectuation of the Rule 144A Global Notes representing the Class A2 Notes and the Reg S Global Notes and delivery of such Notes to the Common Safekeeper. The Registrar shall also be responsible for authenticating and effectuating such Notes whilst in definitive form and for maintaining the Register.
- *U.S. Registrar.* Responsible for the authentication of the Rule 144A Global Notes representing the Class A1 Notes and delivery of such Notes to the DTC Custodian. The U.S. Registrar shall also be responsible for authenticating such Notes whilst in definitive form and for maintaining the U.S. Register.
- *Principal Paying Agent.* Responsible for the effectuation of the Reg S Global Notes and the Rule 144A Global Notes representing the Class A2 Notes and the Class B Notes and delivery of such Notes to the Common Safekeeper. The Principal Paying Agent shall also be responsible for effectuating such Notes whilst in definitive form.
- *U.S. Paying Agent.* Responsible for the effectuation of the Rule 144A Global Notes representing the Class A1 Notes and delivery of such Notes to DTC. The U.S. Paying Agent shall also be responsible for effectuating such Notes whilst in definitive form.
- *Paying Agents.* Each of the US Paying Agent (in respect of the Rule 144A Global Notes representing the Class A1 Notes) and the Principal Paying Agent (in respect of the Reg S Global Notes and the Rule 144A Global Notes representing the Class A2 Notes and the Class B Notes) shall credit the accounts of the Noteholders held with DTC, Euroclear or Clearstream, Luxembourg, respectively.
- *Calculation Agent.* The Calculation Agent determines the Interest Amount, Interest Period, Interest Rate and Payment Date in respect of the Notes, and informs the relevant parties.
- *Agent Bank.* The Agent Bank publishes the Interest Rate for each Class of Notes, the aggregate Interest Amount for each Class and the Payment Date on which such Interest Amount will be paid to the Noteholders in accordance with Condition 6 (*Payments of Interest*) and maintains records of the quotations obtained, and all rates determined, by it and will make records available for inspection by the Issuer, the Principal Paying Agent, the U.S. Paying Agent, the Servicer and the Trustee.

The appointment of the Agents may be terminated in the following circumstances:

- *Resignation.* Any Agent may resign upon 30 days' notice to the Issuer, the Trustee and the Principal Paying Agent.
- *Termination.* The Issuer may terminate the appointment of any Agent by providing 60 days' notice, subject to the Issuer having found a replacement agent.
- *Automatic Termination.* Following an Insolvency Event of an Agent, the Issuer shall appoint a successor.

In each case, if the Issuer has not appointed a replacement Agent within 10 days of the Agent's termination date, the relevant Agent (consulting with the Issuer) shall appoint a successor (in each case on the same terms as the Agency Agreement). There shall at all times be a Principal Paying Agent, a U.S. Paying Agent, a Registrar, an Agent Bank and a Calculation Agent appointed.

The Agency Agreement will be governed by English law. The courts of England will have exclusive jurisdiction to settle any disputes that may arise out of or in connection therewith.

### **Trust Deed**

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

The Trustee will agree to hold the benefit of, among other things, the Issuer's covenant to repay principal and interest on the Notes from time to time on trust for the Noteholders in accordance with the Transaction Documents and to apply all payments, recoveries or receipts in respect of such covenant in accordance with the Conditions, the Trust Deed and the Agency Agreement.

In accordance with the terms of the Trust Deed, the Issuer will pay an annual fee to the Trustee for its services under the Trust Deed at the rate agreed between the Issuer and the Trustee together with payment of all costs, charges and expenses incurred by the Trustee in relation to the Trustee's performance of its obligations under the Trust Deed.

The Trustee may from time to time retire at any time upon giving not less than 90 days' notice in writing to the Issuer without assigning any reason therefor. The retirement of the Trustee shall not become effective unless, *inter alia*, a successor to the Trustee has been appointed in accordance with the Trust Deed. Any successor trustee must agree to be bound by the terms of the Trust Deed, and must meet the applicable eligibility requirements under the Trust Deed, including the requirement that it satisfies the minimum capitalisation and other applicable conditions with respect to trustee eligibility set out in the Investment Company Act.

### *Right to Modification*

Notwithstanding the provisions of Condition 12(a) (*Meetings of Noteholders*) or Condition 12(d) (*Waiver*), the Trustee shall be obliged, without any consent or sanction of the Noteholders or any of the other Secured Creditors, to concur with the Issuer in making any modification (other than in respect of a Reserved Matter, for which an Extraordinary Resolution of each Class of Noteholders affected thereby approving such modification will be required) to the Trust Documents, these Conditions or any other Transaction Document to which it is a party or in relation to which it holds security that the relevant Transaction Party considers necessary for the purpose of: (a) 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; (b) enabling the Issuer and/or a Swap Counterparty to comply with any obligation which applies to it under EMIR; (c) enabling the Retention Holder and/or the Sponsor to comply with any obligation which applies to it under any of the E.U. Risk Retention Requirements or any of the U.S. Credit Risk Retention Requirements; or (d) changing the base rate on the Class A Notes from USD LIBOR and/or GBP LIBOR, as applicable, to an Alternative Base Rate (and such other amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate

such change) to the extent there has been or there is reasonably expected to be a material disruption or cessation to LIBOR; provided that, among other things, (A) the Trustee receives a Modification Certificate or Base Rate Modification Certificate, as applicable, from the Servicer, on behalf of the Issuer, and/or any other relevant Transaction Party that such modification is required for its stated purpose, (B) at least 30 days' prior written notice of any such proposed modification has been given to the Trustee, (C) the consent of each Secured Creditor which is party to the relevant Transaction Document or which has a right to consent to such modification pursuant to the provisions of the relevant Transaction Document has been obtained, and (D) other than with respect to modifications made to comply with Articles 9, 10 or 11 of EMIR, any of the E.U. Risk Retention Requirements or any of the U.S. Credit Risk Retention Requirements, with respect to each Rating Agency, the following is obtained: (1) either a written confirmation from such Rating Agency that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes or Class B Notes by such Rating Agency or (y) such Rating Agency placing any Class A Notes or Class B Notes on rating watch negative (or equivalent) or (2) a certification to the Trustee from the relevant Transaction Party that it has notified such Rating Agency of the proposed modification and, in its opinion, formed on the basis of due consideration and consultation with such Rating Agency (including, as applicable, upon receipt of oral confirmation from an appropriately authorised person at each of the Rating Agencies), such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes or Class B Notes by such Rating Agency or (y) such Rating Agency placing the Class A Notes or Class B Notes on rating watch negative (or equivalent).

In addition, other than with respect to modifications made to comply with Articles 9, 10 or 11 of EMIR, any of the E.U. Risk Retention Requirements or any of the U.S. Credit Risk Retention Requirements, the Issuer must provide at least 30 days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 13 (*Form of Notices*) and by publication on Bloomberg on the "Company News" screen relating to the Notes, and such modification may not be carried out (unless an Extraordinary Resolution of the Noteholders of the Controlling Class then outstanding is passed in favour of such modification in accordance with Condition 12(a)(ii) (*Meetings of Noteholders*) or Condition 12(b) (*Resolutions in Writing*)) if Noteholders representing at least 10 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class then outstanding have contacted the Trustee 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 Trustee that such Noteholders do not consent to the modification.

The Trustee shall not be obliged to agree any modification which in the sole opinion of the Trustee would have the effect of (i) exposing the Note Trustee to any liability against which it has not been indemnified and/or prefunded and/or secured to its satisfaction, or (ii) increasing the obligations or duties or decreasing the protections of the Trustee in the Trust Documents, the Conditions or the Transaction Documents.

#### ***Limitation on Liability***

The Trustee's liability under the Trust Deed is limited to matters or things done or omitted in relation to its own gross negligence, wilful default or fraud.

#### ***Applicable Law and Jurisdiction***

The Trust Deed, and all non-contractual obligations arising out of or in connection with it, will be governed by the laws of England. The courts of England will have exclusive jurisdiction to settle any disputes that may arise out of or in connection therewith.

#### **Cash Administration Agreement**

The Cash Administrator agrees to act as agent of the Issuer in order to administer and manage the cash receipts and payments of the Issuer. Following an Issuer Event of Default, the Cash Administrator shall act as agent of the Trustee in relation to payments and calculations to be made by the Trustee. The Cash Administrator's duties will include establishing and maintaining the Ledgers and the operation of the Issuer Accounts.

The Cash Administrator will also prepare and provide, on a monthly basis, a Payment Report (see “*Glossary of Defined Terms*” for a more detailed description of the contents of this report).

The appointment of the Cash Administrator may be terminated in the following circumstances:

- *Termination by Notice.* The Issuer may, with the consent of the Trustee, terminate some or all of the functions of the Cash Administrator on 60 days’ notice. A replacement cash administrator must be appointed by the Issuer prior to the expiration of the notice period, on substantially the same terms as the Cash Administration Agreement.
- *Resignation.* The Cash Administrator may resign from its appointment by providing 30 days’ written notice to the Issuer and the Trustee. A replacement cash administrator must be appointed by the Issuer prior to the expiration of the notice period, on substantially the same terms as the Cash Administration Agreement.
- *Cash Administrator Termination Event.* Following a Cash Administrator Termination Event, the Issuer may deliver a Cash Administrator Termination Event Notice.

In each case, the Cash Administrator will not be discharged or released from its obligations as Cash Administrator and will remain responsible for the performance of its obligations under the Cash Administration Agreement until an experienced substitute cash administrator has been appointed on substantially the same terms set out in the Cash Administration Agreement. In addition, the Rating Agencies must confirm that the appointment of such substitute cash administrator will not result in a reduction, qualification or withdrawal of the then current ratings of the Class A Notes or the Class B Notes.

The Cash Administration Agreement will be governed by English law. The courts of England will have exclusive jurisdiction to settle any disputes that may arise out of or in connection therewith.

### **Subscription Agreement**

The Issuer, the Arranger and the Managers have entered into the Subscription Agreement. The Managers have agreed to subscribe and pay for, or procure the subscription and payment for, the Class A Notes, subject to certain conditions. The Arranger and the Managers have the right to all costs and expenses and certain representations, warranties and indemnities from the Issuer. The Subscription Agreement will be governed by English law. The courts of England will have exclusive jurisdiction to settle any disputes that may arise out of or in connection therewith. See “*Subscription and Sale*”.

### **Seller Accounts Declaration of Trust**

The Seller will hold all amounts credited to the Seller Accounts which are due to the Issuer from time to time on trust for the Issuer pursuant to the Seller Accounts Declaration of Trust. The Seller Accounts Declaration of Trust will be governed by English law. The courts of England will have exclusive jurisdiction to settle any disputes that may arise out of or in connection therewith.

### **Corporate Administration Agreement**

The Corporate Administrator will provide certain corporate administrative functions to the Issuer and Holdings pursuant to the Corporate Administration Agreement, including acting as secretary of the Issuer and Holdings, preparing and filing statutory and annual returns and financial statements and performing other corporate administrative services for the Issuer and Holdings against payment of a fee.

The Corporate Administration Agreement will be governed by English law. The courts of England will have exclusive jurisdiction to settle any disputes that may arise out of or in connection therewith.

## **Account Bank Agreement**

The Account Bank agrees to provide the Sterling Account, any cash Swap Collateral Accounts and the Class A1 Swap Reserve Account, and the Transaction Account Bank agrees to provide the Transaction Account. The Account Bank and the Transaction Account Bank will comply with the proper directions of the Cash Administrator as to the crediting and debiting of the Issuer Accounts. Following delivery of an Enforcement Notice or termination of the Cash Administrator's appointment, the Account Bank and the Transaction Account Bank will comply with the proper directions of the Trustee.

Any amounts standing to the credit of the Issuer Accounts and any cash Swap Collateral Account will bear interest at a rate separately agreed in writing between the Issuer and, in relation to the Sterling Account, the Class A1 Swap Reserve Account and any cash Swap Collateral Account, the Account Bank and, in relation to the Transaction Account, the Transaction Account Bank.

The Issuer shall transfer an Issuer Account from the Account Bank or the Transaction Account Bank, as applicable, if the ratings of the Account Bank or the Transaction Account Bank, as applicable, falls below the levels set out in "*Triggers Tables—Rating Triggers Table*".

The Account Bank Agreement will be governed by English law. The courts of England will have exclusive jurisdiction to settle any disputes that may arise out of or in connection therewith.

## EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS

The Class A1 Notes will (prior to a Principal Payment Trigger Event) be redeemed in the number of instalments and on the Payment Dates specified in the Class A1 Amortisation Schedule and, on or after a Principal Payment Trigger Event or following the delivery of an Enforcement Notice, in an amount equal to the Class A1 USD Amortisation Amount, subject, in each case, to the Available Distribution Amount as at the Calculation Date immediately preceding each Payment Date being sufficient to pay such amounts in full in accordance with the applicable Priority of Payments and the Class A1 Swap Counterparty complying with its obligations under the Class A1 Swap.

The Class A2 Notes, the Class B Notes and the Class C Note are redeemed on each Payment Date in an amount up to the related target principal amount in accordance with the applicable Priority of Payments. The expected average life of the Class A2 Notes, the Class B Notes and the Class C Note cannot be predicted as the actual rate at which the Purchased Receivables will be repaid and a number of other relevant factors are unknown. Calculated estimates as to the expected average life of the Class A2 Notes, the Class B Notes and the Class C Note can be made based on certain assumptions. These estimates have certain inherent limitations. No representations are made that such estimates are accurate, that all assumptions relating to such estimates have been considered or stated or that such estimates will be realised.

The table below shows the expected average life of the Notes based on the following assumptions:

- (i) that the Purchased Receivables are subject to a constant rate of prepayment as shown in the table below;
- (ii) that no Purchased Receivables are sold by the Issuer except as contemplated in the Credit and Collection Policy;
- (iii) that the Purchased Receivables continue to be fully performing;
- (iv) that the Clean-Up Call Option will be exercised in accordance with the Receivables Sale Agreement and Condition 7.5 (*Early Redemption*);
- (v) all Payment Dates occur on the 25<sup>th</sup> day of the month (or the next Business Day where the 25<sup>th</sup> day of the month is not a Business Day);
- (vi) that no Revolving Period Termination Event has occurred;
- (vii) that no Voluntary Terminations have occurred;
- (viii) that all amounts credited to the Reinvestment Principal Ledger are used, during the Revolving Period, to acquire Further Receivables;
- (ix) that the composition and the amortisation vector of the Initial Portfolio as at the Cut-Off Date is the same as that of the Initial Portfolio as at the Closing Date; and
- (x) that the Notes are issued on 20 September 2017.

| <b>Constant<br/>Prepayment<br/>Rate in %</b> | <b>Expected Average Life<br/>of Class A1 Notes (years)</b> | <b>Expected Average Life<br/>of Class A2 Notes (years)</b> | <b>Expected Average Life<br/>of Class B Notes (years)</b> | <b>Expected Average Life<br/>of Class C Note (years)</b> |
|--|--|--|---|--|
| 0%   | 1.94   | 2.75   | 3.93  | 3.93   |
| 5%   | 1.94   | 2.62   | 3.85  | 3.85   |
| 10%  | 1.94   | 2.49   | 3.76  | 3.76   |
| 15%  | 1.94   | 2.37   | 3.68  | 3.68   |

|     |      |      |      |      |
|-----|------|------|------|------|
| 20% | 1.94 | 2.24 | 3.68 | 3.68 |
| 25% | 1.94 | 2.11 | 3.6  | 3.6  |
| 30% | 1.94 | 1.99 | 3.51 | 3.51 |

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

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

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



## DESCRIPTION OF THE PORTFOLIO

The Portfolio consists of Purchased Receivables arising under the Underlying Agreements and the Related Collateral originated by the Seller pursuant to the Credit and Collection Policy. See “*Credit and Collection Policy*”. The Receivables included in the Portfolio are derived from a portfolio of credit agreements with retail customers to finance the purchase of Financed Vehicles and will be acquired by the Issuer pursuant to the Receivables Sale Agreement. The Aggregate Asset Amount Outstanding of the Provisional Portfolio as at the beginning of business on the Cut-Off Date was £639,424,209.89. There will be no substitution of the Purchased Receivables in the Portfolio after the Closing Date, however, as existing Purchased Receivables repay during the Revolving Period, Further Receivables may be purchased and added to the Portfolio. The number of Purchased Receivables in the Provisional Portfolio on the Cut-Off Date was 88,149.

During the Revolving Period, the Seller may sell Further Receivables to the Issuer on Further Purchase Dates. Such Further Receivables will be originated in full compliance with the Eligibility Criteria set out below in “*Eligibility Criteria*” and paid for by the Issuer from Available Distribution Amounts.

The Purchased Receivables (including the Initial Portfolio and such Further Receivables and their Related Collateral) arise under two types of contracts:

### Conditional Sale Agreements

Conditional Sale Agreements are fixed interest rate, usually fully amortising, level payment conditional sale contracts entered into by the Seller and Customers, with retention of title to the Financed Vehicle. Title to the Financed Vehicle passes to the Customer once all payments have been made. These agreements require the Customer to make an initial payment followed by Scheduled Payments which fully amortise the amount financed. In certain cases, a completion fee may be payable under the relevant Conditional Sale Agreement. In such a case the final payment will not be level with all others. In certain cases, the final payment set out in these Conditional Sale Agreements may be larger than the previous monthly payments of interest and principal. The Customer is required to insure the Financed Vehicle for its replacement value and against liability to others for loss or damage. The Customer may be required to provide a guarantee for his or her obligations under such Underlying Agreement.

Purchased Receivables arising under a Conditional Sale Agreement account for £271,748,837.20 of the Aggregate Asset Amount Outstanding as at the Reference Date preceding the Initial Purchase Date and approximately 45.38 per cent. of the Purchased Receivables arising under all Underlying Agreements by Aggregate Asset Amount Outstanding as at the Reference Date preceding the Initial Purchase Date.

### PCP Agreements

PCP Agreements (or Personal Contract Purchase Agreements) are fixed interest rate conditional sale contracts entered into by the Seller and Customers, with retention of title to the Financed Vehicle. These contracts apply Customer payments to reduce the amount financed on the basis of Scheduled Payments and, in the event that the relevant Customer decides to keep the Financed Vehicle at the end of the contract term, a final balloon payment for all amounts due at the end of the contract term (such final balloon payment, the **Guaranteed Future Value Payment**). The fixed interest rate portion of the Scheduled Payment component of a PCP Agreement is calculated based on the aggregate principal amount of such PCP Agreement, including the Guaranteed Future Value Payment component of such PCP Agreement. In the event that a Customer decides not to keep the Financed Vehicle at the end of the contract term, the Customer may (i) trade in the Financed Vehicle against the purchase of a new vehicle, or (ii) return the Financed Vehicle in full and final settlement of the PCP Agreement. The Customer is required to insure the Financed Vehicle for its replacement value and against liability to others for loss or damage. The Customer may be required to provide a guarantee for his or her obligations under such Underlying Agreement.

The Initial Purchase Price is calculated on the basis of the Aggregate Asset Amount Outstanding of the Initial Portfolio and so does not take account of (and any Further Receivables Purchase Price will similarly not take account of) any Guaranteed Future Value Payments under PCP Agreements. Although Collections which are apportioned by the Servicer to the Guaranteed Future Value Payment component of any PCP Agreement will be paid into the Transaction Account in accordance with the Receivables Sale Agreement, the aggregate amount of any such Collections shall be payable to the Seller as Senior Deferred Consideration (see “*Overview of the Transaction Documents—Receivables Sale Agreement*” and “*Risk Factors—Other Considerations Relating to the Notes—No right to Guaranteed Future Value Payments*”).

Any amounts received from a Customer with respect to any PCP Agreement, to the extent such amounts constitute Collections, shall be apportioned by the Servicer between the Scheduled Payments and the Guaranteed Future Value Payment, and the resulting implications for the Transaction are as follows:

### ***Scenario 1***

The Customer may, on maturity of the relevant PCP Agreement, decide to pay the Guaranteed Future Value Payment, upon receipt of which title to the related Financed Vehicle will pass to the Customer. Prior to doing so, a Customer should have made all Scheduled Payments prior to maturity of the relevant PCP Agreement (and such amounts should have been applied as Available Distribution Amounts in accordance with the applicable Priority of Payments). Although not contractually provided for under the PCP Agreements, the Customer may choose to refinance the related Guaranteed Future Value Payment by way of a personal loan from the Seller. The personal loan contracts between the Seller and the Customer and any rights relating to such contracts will not be transferred to the Issuer as part of the Transaction. Upon agreeing to refinance a Guaranteed Future Value Payment, the Seller will make available to the related Customer an unsecured personal loan in an amount equal to such Guaranteed Future Value Payment and will pay such amount to the Issuer on the related Customer’s behalf in satisfaction of the related Purchased Receivable. Upon receipt by the Issuer of the Guaranteed Future Value Payment, title to the related Financed Vehicle will transfer to the Customer and the PCP Agreement between the Seller and the Customer will terminate. The aggregate amount apportioned to the Guaranteed Future Value Payment component of such PCP Agreement shall be payable to the Seller as Senior Deferred Consideration. Accordingly, any risks related to non-payment of the Guaranteed Future Value Payment are solely borne by the Seller.

### ***Scenario 2***

The Customer may, on maturity of the relevant PCP Agreement, decide to trade in the related Financed Vehicle against the purchase of a new vehicle from a third party dealer. Prior to doing so, a Customer should have made all Scheduled Payments prior to maturity of the relevant PCP Agreement (and such amounts should have been applied as Available Distribution Amounts in accordance with the applicable Priority of Payments). Under the terms of each PCP Agreement, the Customer remains contractually obliged to pay the Guaranteed Future Value Payment to the Seller in a trade-in scenario and, depending on the terms of the trade-in, such payment may be made by either the Customer or the third party dealer on the Customer's behalf. Upon receipt by the Issuer of the Guaranteed Future Value Payment, title to the related Financed Vehicle will transfer to the Customer (and, if the Customer trades in the Financed Vehicle, to the third party dealer) and the PCP Agreement between the Seller and the Customer will terminate. The aggregate amount apportioned to the Guaranteed Future Value Payment component of such PCP Agreement shall be payable to the Seller as Senior Deferred Consideration. Accordingly, any risks related to non-payment of the Guaranteed Future Value Payment are solely borne by the Seller.

### ***Scenario 3***

The Customer may, on maturity of the relevant PCP Agreement, decide to return the related Financed Vehicle to the Seller instead of paying the Guaranteed Future Value Payment. Prior to doing so, a Customer should have made all Scheduled Payments prior to maturity of the relevant PCP Agreement

(and such amounts should have been applied as Available Distribution Amounts in accordance with the applicable Priority of Payments). The Seller will (pursuant to the terms of the PCP Agreement) sell the Financed Vehicle as the Customer's agent and the Net Sale Proceeds (plus, if such Net Sale Proceeds are less than the amount of the Guaranteed Future Value Payment, an amount equal to that shortfall, contributed by the Seller) are applied to settle the Guaranteed Future Value Payment. If the Net Sale Proceeds are in excess of the Guaranteed Future Value Payment, the difference is passed back to the Customer after the Seller deducts commissions, costs and expenses. The aggregate amount of the Net Sale Proceeds apportioned to the Guaranteed Future Value Payment component of such PCP Agreement shall be payable to the Seller as Senior Deferred Consideration. Accordingly, any residual value risks of the Financed Vehicle are solely borne by the Seller.

#### ***Scenario 4***

The Customer may, prior to maturity of the relevant PCP Agreement, exercise its right of Voluntary Termination under the CCA. On Voluntary Termination, the Customer is liable to surrender the related Financed Vehicle and pay any amount payable on Voluntary Termination (which 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 related Financed Vehicle up to one-half of the total amount payable for the related Financed Vehicle (including any deposit), plus all arrears related to and compensation for any breach of duty to take reasonable care of the related Financed Vehicle). In this case, the Servicer shall apportion the aggregate Voluntary Termination amount and the Net Sale Proceeds received from the Customer (i) first, to all Scheduled Payments due under the relevant PCP Agreement (which, in turn, shall be applied as Available Distribution Amounts in accordance with the applicable Priority of Payments) and (ii) second, to the Guaranteed Future Value Payment due under the relevant PCP Agreement (which, in turn, shall be payable to the Seller as Senior Deferred Consideration). See "*Risk Factors—Regulatory and Tax Risks—Consumer Credit Act 1974*" and "*Credit and Collection Policy—Credit Recoveries Process—Voluntary Terminations*".

#### ***Scenario 5***

The Customer may default under the PCP Agreement. On default, the Seller will retain title to the Financed Vehicle and the Issuer will not obtain title to the Financed Vehicle nor will it have any direct right to repossess a Financed Vehicle. The Seller may from time to time repurchase from the Issuer any Defaulted Receivable and its Related Collateral pursuant to the terms of the Receivables Sale Agreement. The repurchase price for a Defaulted Receivable and its Related Collateral will be equal to the Defaulted Receivable Repurchase Price, which will be set out in the related Repurchase Notice. In this case, the Servicer shall apportion the Net Sale Proceeds of the related Financed Vehicle repossessed from the Customer (i) first, to all Scheduled Payments due under the relevant PCP Agreement (which, in turn, shall be applied as Available Distribution Amounts in accordance with the applicable Priority of Payments) and (ii) second, to the Guaranteed Future Value Payment due under the relevant PCP Agreement (which, in turn, shall be payable to the Seller as Senior Deferred Consideration). See "*Overview of the Transaction Documents—Receivables Sale Agreement—Repurchase of Defaulted Receivables*", "*Credit and Collection Policy*", "*Risk Factors—Regulatory and Tax Risks—Consumer Credit Act 1974*", and "*Risk Factors—Other Considerations Relating to the Notes—No transfer of title to Financed Vehicles*".

Receivables arising under a PCP Agreement account for £347,815,990.84 (54.40 per cent.) of the Aggregate Asset Amount Outstanding of the Provisional Portfolio as at the Cut-Off Date. The aggregate asset outstanding amount (including for these purposes the Guaranteed Future Value Payment component of Purchased Receivables subject to PCP Agreements) of Receivables arising under PCP Agreements in the Provisional Portfolio as at the Cut-Off Date is £767,530,219.56, of which the Scheduled Payments component and the Guaranteed Future Value Payment component account for £347,815,990.84 and £419,714,228.72, respectively. The percentage of the Underlying Agreements by Aggregate Asset Amount Outstanding that are PCP Agreements following the addition of Further Receivables shall be at least 50 per cent. on any date of determination.

## ***General***

The Issuer will not acquire any Receivables or collateral from the Seller other than the Portfolio which consists of (i) the Receivables and (ii) the Related Collateral.

The Conditional Sale Agreements and PCP Agreements are regulated by the Consumer Credit Act 1974.

On the Initial Purchase Date and any Further Purchase Date:

- the largest aggregate outstanding amount (including for these purposes the Guaranteed Future Value Payment component of Purchased Receivables subject to PCP Agreements) due from any individual Customer under the Underlying Agreements within the Portfolio will be equal to or less than the lesser of (i) 0.25 per cent. of the aggregate outstanding amount of the Underlying Agreements within the Portfolio and (ii) the equivalent of €500,000;
- the largest aggregate outstanding amount (including for these purposes the Guaranteed Future Value Payment component of Purchased Receivables subject to PCP Agreements) due from any 10 individual Customers under the Underlying Agreements within the Portfolio will be equal to or less than 0.60 per cent. of the aggregate outstanding amount of the Underlying Agreements within the Portfolio; and
- the aggregate residual value of the Guaranteed Future Value Payments under the Underlying Agreements within the Portfolio will not exceed 65 per cent. of the aggregate outstanding amount of the Underlying Agreements within the Portfolio (including for these purposes the Guaranteed Future Value Payment component of Purchased Receivables subject to PCP Agreements).

The Seller will make certain representations and warranties with respect to the Portfolio on each Purchase Date, including the Closing Date, under the Receivables Sale Agreement to the Issuer (see “*Overview of the Transaction Documents—Receivables Sale Agreement*”).

The Notes are not backed by payments made by way of Guaranteed Future Value Payments in respect of Purchased Receivables subject to PCP Agreements.

## ELIGIBILITY CRITERIA

### Compliance with Eligibility Criteria set out in the Transaction Documents

On the Purchase Date on which the Issuer purchases a Receivable, the criteria set out below must be complied with for such Receivable to be eligible for purchase by the Issuer and are referred to as the Eligibility Criteria. For the avoidance of doubt, the Eligibility Criteria in respect of a particular Receivable only need to be satisfied on the Purchase Date of such Receivable.

1. *Title and Ownership; No Other Pledge or Adverse Claims:* The Receivable is a receivable (including any part thereof and the other Related Collateral (if any)) to which the Seller is fully entitled, free of any Encumbrance and any rights of any third party, of which the Seller may freely dispose and in respect of which the Issuer will, upon completion of the purchase of such Receivable, acquire the title or beneficial interest therein unencumbered by any counter-claim, lien, right of rescission, compensation, retention or defence, set-off right or other objection; in particular, such Receivable (and the Related Collateral (if any)) has not been assigned to and is not held on trust for any third party for refinancing and has been documented in a set of documents which designates the Financed Vehicle, the acquisition costs thereof, the related Customer, the payments, the applicable interest rate, the initial due dates and the term of the relevant Underlying Agreement.
2. *Valid Asset Transfer:* The Receivable is a claim or other analogous right which can be transferred by way of assignment or assignation or held on trust without breaching any term or condition of the Underlying Agreement and which shall be validly transferred, together with the Related Collateral (if any), to the Issuer in the manner contemplated by the relevant Transaction Document and the Receivables Sale Agreement and no further act, condition or thing will be required to be done to enable the Issuer to require payment of the Purchased Receivable to the Issuer, or to enforce any such right in court (other than the delivery to the relevant Customer of a Notification Event Notice) or to determine the applicable Asset Rate. Following the assignment and transfer of the Receivable and Related Collateral (if any), such Receivable and the Related Collateral (if any) shall not be available to the creditors of the Seller on the occasion of any insolvency of the Seller
3. *Receivables Constitute Valid Claims on Customers; Validity and Enforceability of Underlying Agreements:* The Receivable and each Underlying Agreement exists and constitutes legally valid, binding and enforceable obligations of the Customer and is not subject to any right of revocation, set-off, lien, retention, right of rescission, subordination, compensation, balance of accounts or counter-claim or warranty claims of the Customer or any other right of objection, irrespective of whether the Issuer knew or could have known of the existence of objections, defences or counter-rights.
4. *Compliance with Relevant Laws and Legal Requirements:* The Receivable has been created in compliance with all applicable laws, rules and regulations (in particular with respect to consumer protection and data protection) and all required consents, approvals and authorisations have been obtained in respect thereof and neither the Seller nor the relevant Underlying Agreement are in violation of any such law, rule or regulation. The sale, transfer and assignment of the Receivable does not violate any law or agreements (in particular with respect to consumer protection and data protection) to which the Seller is bound.
5. *Origination and Servicing; No Borrower Default:* The Receivable:
  - (a) was originated in the United Kingdom in the ordinary course of business of the Seller in accordance with its Credit and Collection Policy in the form of a Standard Form Underlying Agreement, is based on the applicable general terms and conditions of business of the Seller, and has been serviced in compliance with the Servicer's standard servicing procedures;
  - (b) is denominated and payable in Sterling;

- (c) is not subject to an Underlying Agreement which has been terminated;
  - (d) is not a Defaulted Receivable; and
  - (e) has a fixed interest rate and is fully amortising through payment of constant monthly instalments (except for the first instalment and the final instalment payable under the relevant Underlying Agreement which may differ from the monthly instalments payable for subsequent or previous months).
6. *No Untrue Information*: On the Closing Date or on any Further Purchase Date, as applicable, there is no untrue information on the particulars of the Receivable and the Related Collateral contained in the applicable Notice of Sale.
7. *Agreed-upon procedures review*: the Underlying Assets have been subject to an agreed upon procedures review conducted by a third-party and completed on or about 21 August 2017 with respect to the Underlying Agreements in existence as at 31 July 2017 and proposed to be included in the Underlying Assets. The third party undertaking the review only has obligations to the parties to the engagement letter governing the performance of the agreed upon procedures review subject to the limitations and exclusions contained therein.
8. *No Withholding Tax*: Under UK tax law on the relevant Purchase Date, no withholding tax will apply to any payments made to the Issuer in respect of a Purchased Receivable.
9. *Obligors*: The Receivable is due from a Customer who:
- (a) is a private individual resident in the United Kingdom;
  - (b) has not been declared insolvent or bankrupt, and against whom the Seller has no actual knowledge of any legal insolvency or bankruptcy or sequestration proceedings which are pending in any jurisdiction;
  - (c) is neither an employee nor an officer of the Seller; and
  - (d) does not have an aggregate outstanding amount, when added together with the aggregate outstanding amount (including for these purposes the Guaranteed Future Value Payment component of Purchased Receivables subject to PCP Agreements) of all other Purchased Receivables owed by the same Customer, in excess of £125,000.
10. *Underlying Agreements*: The Underlying Agreement pursuant to which the Receivable arises:
- (a) is governed by English, Scots or Northern Irish law;
  - (b) relates to the supply to the Customer of the relevant Financed Vehicle and the Seller retains title to such Financed Vehicle and at the time of sale and assignment of the relevant Receivable and of the Related Collateral (if any) the Seller has no direct possession and a valid claim for the return of such Financed Vehicle (subject to the rights of the Customer); and
  - (c) does not contain confidentiality provisions which restrict the Issuer's rights as owner of the related Receivable.
11. *Other Features of the Receivables*:
- (a) The Receivable is segregated and identifiable at any time for purposes of ownership and Related Collateral (if any) in the electronic files of the Seller and such electronic files and the related software are able to provide the information to be included in the offer with respect to

such Receivable and Related Collateral (if any) pursuant to the relevant Underlying Agreement.

- (b) At least one payment has been fully made in accordance with the Underlying Agreement to which the relevant Receivable relates.
- (c) The Receivable does not have an overpayment balance on the Reference Date.
- (d) The Receivable together with all other Purchased Receivables would not exceed any Concentration Limit on the applicable Reference Date in respect of the sale of that Receivable to the Issuer.
- (e) On the Reference Date immediately preceding the relevant Purchase Date, the Receivable is not more than one Instalment in arrears.
- (f) The Receivable did not have a principal balance at origination of more than £125,000.
- (g)
  - (i) The last scheduled payment date under a Conditional Sale Agreement is not more than 61 months from the first payment date of such Conditional Sale Agreement; and
  - (ii) The last scheduled payment date under a PCP Agreement is not more than 49 months from the first payment date of such PCP Agreement.

12. *Origination:* The Receivable has been originated by the Seller through a retail distribution channel, without the involvement of a broker as between the Seller and the Customer at the point of sale.

## INFORMATION TABLES REGARDING THE PORTFOLIO

### Characteristics of the Portfolio

The following statistical information presented in this Prospectus sets out certain characteristics of the Provisional Portfolio as at the Cut-Off Date. The actual pool of Receivables comprising the Initial Portfolio sold to the Issuer on the Closing Date and the related Financed Vehicles sold to the Issuer on the Closing Date will vary from those included in the Provisional Portfolio and, consequently, the information set out below in respect of the Provisional Portfolio may not necessarily correspond to that of the Purchased Receivables comprising the Initial Portfolio on the Closing Date. In addition, following the Closing Date, the Portfolio will change from time to time as a result of repayment, prepayment, repurchase of Purchased Receivables or purchase of Further Receivables. The Seller believes that the information in the following tables is representative of the characteristics of the pool of Purchased Receivables comprising the Initial Portfolio that will be randomly selected on the Closing Date from the Provisional Portfolio, although the portfolio averages and numerical data relating to the distribution of the Purchased Receivables between PCP - New, PCP - Used, Conditional Sale - New and Conditional Sale - Used described in the following tables may vary within a range of plus or minus 5 per cent.

### Summary

In this Summary section, the following terms have the following meanings:

In respect of **Current Weighted Average LTV**, **LTV** means loan to value, where "V" represents a generic valuation figure for a vehicle with similar specifications and mileage to the relevant Financed Vehicle (without taking into account the specific condition and accessories of such Financed Vehicle) at the time of origination of the relevant Receivable;

**Loan Origination Value** means the principal balance of the relevant Underlying Agreement as at the date of its origination;

**Monthly Pay %** means the percentage of the relevant Underlying Agreements under which monthly payments are contractually due;

**Weighted Average** means, in each case, weighted by reference to the principal balance of the relevant Underlying Agreements on the Cut-Off Date;

**Weighted Average APR** refers to the APR weighted by reference to the principal balance of the relevant Underlying Agreements on the Cut-Off Date, where APR means the annual percentage rate calculated in accordance with the terms of the relevant Underlying Agreements; and

**Weighted Average GFV Payments/Loan Origination Value** means the Guaranteed Future Value Payments weighted by reference to the Loan Origination Value.

| All contracts  | New            | Used           | Total          |
|--|----------------|----------------|----------------|
| Aggregate Pool Balance (£)                                     | 233,685,774.34 | 405,738,435.55 | 639,424,209.89 |
| Number of Loans  | 33,013         | 55,136         | 88,149         |
| Minimum Loan Balance (£)                                       | 52.66          | 54.19          | 52.66          |
| Maximum Loan Balance (£)                                       | 107,943.29     | 119,460.36     | 119,460.36     |
| Arithmetic Average Loan Balance (£)                            | 7,078.60       | 7,358.87       | 7,253.90       |
| Balloon Payments (£)   | 3,063,411.28   | 36,178,526.88  | 39,241,938.16  |
| Weighted Average Balloon Payments / Loan Origination Value (£) | 18,443.69      | 15,419.14      | 15,670.38      |
| Guaranteed Future Value Payments (£)                           | 245,896,061.87 | 173,818,166.85 | 419,714,228.72 |
| Weighted Average GFV Payments / Loan Origination Value (£)     | 11,429.33      | 8,114.25       | 9,969.74       |
| Monthly Pay (%)  | 100%           | 100%           | 100%           |
| Current Weighted Average LTV (%)                               | 37.24%         | 65.08%         | 54.91%         |



| All contracts                                       | New  | Used | Total |
|---|------|------|-------|
| Weighted Average Original Term to Maturity (month)  | 40   | 49   | 46    |
| Minimum Term (month)                                | 12   | 12   | 12    |
| Maximum Term (month)                                | 60   | 60   | 60    |
| Weighted Average Remaining Term to Maturity (month) | 30   | 41   | 37    |
| Minimum Term (month)                                | 1    | 1    | 1     |
| Maximum Term (month)                                | 60   | 60   | 60    |
| Weighted Average Seasoning (month)                  | 10   | 8    | 9     |
| Minimum Term (month)                                | 0    | 0    | 0     |
| Maximum Term (month)                                | 59   | 59   | 59    |
| Weighted Average APR (%)                            | 2.65 | 8.54 | 6.38  |

| Personal Contract Purchase Contracts                           | New            | Used           | Total          |
|--|----------------|----------------|----------------|
| Aggregate Pool Balance (£)                                     | 181,483,756.10 | 166,332,234.74 | 347,815,990.84 |
| Number of Loans  | 26,181         | 29,069         | 55,250         |
| Minimum Loan Balance (£)                                       | 52.66          | 54.19          | 52.66          |
| Maximum Loan Balance (£)                                       | 40,848.66      | 48,344.39      | 48,344.39      |
| Arithmetic Average Loan Balance (£)                            | 6,931.89       | 5,721.98       | 6,295.31       |
| Balloon Payments (£)   | —              | —              | —              |
| Weighted Average Balloon Payments / Loan Origination Value (£) | —              | —              | —              |
| Guaranteed Future Value Payments (£)                           | 245,896,061.87 | 173,818,166.85 | 419,714,228.72 |
| Weighted Average GFV Payments / Loan Origination Value (£)     | 11,429.33      | 8,114.25       | 9,969.74       |
| Monthly Pay (%)  | 100%           | 100%           | 100%           |
| Current Weighted Average LTV (%)                               | 35.82%         | 45.86%         | 40.62%         |
| Weighted Average Original Term to Maturity (month)             | 41             | 46             | 44             |
| Minimum Term (month)   | 25             | 25             | 25             |
| Maximum Term (month)   | 49             | 49             | 49             |
| Weighted Average Remaining Term to Maturity (month)            | 32             | 37             | 34             |
| Minimum Term (month)   | 2              | 1              | 1              |
| Maximum Term (month)   | 49             | 49             | 49             |
| Weighted Average Seasoning (month)                             | 10             | 10             | 10             |
| Minimum Term (month)   | 0              | 0              | 0              |
| Maximum Term (month)   | 46             | 48             | 48             |
| Weighted Average APR (%)                                       | 2.81           | 8.53           | 5.54           |

| Conditional Sale Agreements                                    | New           | Used           | Total          |
|--|---------------|----------------|----------------|
| Aggregate Pool Balance (£)                                     | 52,202,018.24 | 239,406,200.81 | 291,608,219.05 |
| Number of Loans  | 6,832         | 26,067         | 32,899         |
| Minimum Loan Balance (£)                                       | 94.77         | 93.13          | 93.13          |
| Maximum Loan Balance (£)                                       | 107,943.29    | 119,460.36     | 119,460.36     |
| Arithmetic Average Loan Balance (£)                            | 7,640.81      | 9,184.26       | 8,863.74       |
| Balloon Payments (£)   | 3,063,411.28  | 36,178,526.88  | 39,241,938.16  |
| Weighted Average Balloon Payments / Loan Origination Value (£) | 18,443.69     | 15,419.14      | 15,670.38      |
| Guaranteed Future Value Payments (£)                           | —             | —              | —              |
| Weighted Average GFV Payments / Loan Origination Value (£)     | —             | —              | —              |
| Monthly Pay (%)  | 100%          | 100%           | 100%           |
| Current Weighted Average LTV (%)                               | 42.18%        | 78.43%         | 71.94%         |
| Weighted Average Original Term to Maturity (month)             | 37            | 51             | 49             |
| Minimum Term (month)   | 12            | 12             | 12             |
| Maximum Term (month)   | 60            | 60             | 60             |
| Weighted Average Remaining Term to Maturity (month)            | 26            | 44             | 41             |
| Minimum Term (month)   | 1             | 1              | 1              |
| Maximum Term (month)   | 60            | 60             | 60             |
| Weighted Average Seasoning (month)                             | 11            | 7              | 8              |
| Minimum Term (month)   | 0             | 0              | 0              |
| Maximum Term (month)   | 59            | 59             | 59             |
| Weighted Average APR (%)                                       | 2.09          | 8.54           | 7.39           |

**Table 1: Agreement Balances at Origination**

|              | Contract Type           | Original Balance (£) | Percentage of Balance | Number of Agreements | Percentage of Agreements |
|--------------|-------------------------|----------------------|-----------------------|----------------------|--------------------------|
| 1            | PCP – New               | 501,614,753          | 39.19%                | 26,181               | 29.70%                   |
| 2            | Conditional Sale – New  | 95,612,027           | 7.47%                 | 6,832                | 7.75%                    |
| 3            | PCP – Used              | 394,584,967          | 30.83%                | 29,069               | 32.98%                   |
| 4            | Conditional Sale – Used | 288,017,467          | 22.50%                | 26,067               | 29.57%                   |
| <b>Total</b> |                         | <b>1,279,829,214</b> | <b>100%</b>           | <b>88,149</b>        | <b>100%</b>              |

**Table 2: Current Agreement Balances**

|              | Contract Type           | Current Principal Balance (£) | Percentage of Balance | Number of Agreements | Percentage of Agreements |
|--------------|-------------------------|-------------------------------|-----------------------|----------------------|--------------------------|
| 1            | PCP – New               | 181,483,756                   | 28.38%                | 26,181               | 29.70%                   |
| 2            | Conditional Sale – New  | 52,202,018                    | 8.16%                 | 6,832                | 7.75%                    |
| 3            | PCP – Used              | 166,332,235                   | 26.01%                | 29,069               | 32.98%                   |
| 4            | Conditional Sale – Used | 239,406,201                   | 37.44%                | 26,067               | 29.57%                   |
| <b>Total</b> |                         | <b>639,424,210</b>            | <b>100%</b>           | <b>88,149</b>        | <b>100%</b>              |

**Table 3: Total Period Agreements**

| Total                             |     |                               |                      |  |
|-----------------------------------|-----|-------------------------------|----------------------|--|
| Original Term to Maturity (month) |     | Current Principal Balance (£) | Number of Agreements |  |
| Min                               | Max |                               |                      |  |
| 0                                 | 12  | 219,202                       | 74                   |  |
| 13                                | 24  | 30,078,902                    | 3,943                |  |
| 25                                | 36  | 44,501,113                    | 6,881                |  |
| 37                                | 48  | 205,099,640                   | 32,802               |  |
| 49                                | >   | 359,525,353                   | 44,449               |  |
| <b>Weighted Average</b>           |     | 46                            |                      |  |
| <b>Total</b>                      |     | <b>639,424,210</b>            | <b>88,149</b>        |  |

| New Conditional Sale              |     |                               |                      |  |
|-----------------------------------|-----|-------------------------------|----------------------|--|
| Original Term to Maturity (month) |     | Current Principal Balance (£) | Number of Agreements |  |
| Min                               | Max |                               |                      |  |
| 0                                 | 12  | 33,879                        | 12                   |  |
| 13                                | 24  | 23,588,636                    | 2,655                |  |
| 25                                | 36  | 9,776,501                     | 896                  |  |
| 37                                | 48  | 5,288,355                     | 495                  |  |
| 49                                | >   | 13,514,647                    | 2,774                |  |
| <b>Weighted Average</b>           |     | 37                            |                      |  |
| <b>Total</b>                      |     | 52,202,018                    | 6,832                |  |

| New PCP                           |     |                               |                      |  |
|-----------------------------------|-----|-------------------------------|----------------------|--|
| Original Term to Maturity (month) |     | Current Principal Balance (£) | Number of Agreements |  |
| Min                               | Max |                               |                      |  |
| 0                                 | 12  | —                             | —                    |  |
| 13                                | 24  | —                             | —                    |  |
| 25                                | 36  | 9,985,926                     | 2,042                |  |
| 37                                | 48  | 115,981,989                   | 17,812               |  |
| 49                                | >   | 55,515,841                    | 6,327                |  |
| <b>Weighted Average</b>           |     | 41                            |                      |  |
| <b>Total</b>                      |     | 181,483,756                   | 26,181               |  |

| Used Conditional Sale             |     |                               |                      |  |
|-----------------------------------|-----|-------------------------------|----------------------|--|
| Original Term to Maturity (month) |     | Current Principal Balance (£) | Number of Agreements |  |
| Min                               | Max |                               |                      |  |
| 0                                 | 12  | 185,323                       | 62                   |  |
| 13                                | 24  | 6,490,266                     | 1,288                |  |
| 25                                | 36  | 23,831,436                    | 3,597                |  |
| 37                                | 48  | 41,467,974                    | 5,103                |  |

| Used Conditional Sale             |     |                               |                      |
|-----------------------------------|-----|-------------------------------|----------------------|
| Original Term to Maturity (month) |     | Current Principal Balance (£) | Number of Agreements |
| Min                               | Max |                               |                      |
| 49                                | >   | 167,431,202                   | 16,017               |
| <b>Weighted Average</b>           |     | 51                            |                      |
| <b>Total</b>                      |     | 239,406,201                   | 26,067               |

| Used PCP                          |     |                               |                      |
|-----------------------------------|-----|-------------------------------|----------------------|
| Original Term to Maturity (month) |     | Current Principal Balance (£) | Number of Agreements |
| Min                               | Max |                               |                      |
| 0                                 | 12  | —                             | —                    |
| 13                                | 24  | —                             | —                    |
| 25                                | 36  | 907,249                       | 346                  |
| 37                                | 48  | 42,361,323                    | 9,392                |
| 49                                | >   | 123,063,662                   | 19,331               |
| <b>Weighted Average</b>           |     | 46                            |                      |
| <b>Total</b>                      |     | 166,332,235                   | 29,069               |

Table 4: Agreement Seasoning

| Total   |     |                               |                      |
|---|-----|-------------------------------|----------------------|
| Number of Months Since Origination (as at Cut-Off Date) |     | Current Principal Balance (£) | Number of Agreements |
| Min   | Max |                               |                      |
| 0   | 3   | 221,384,607                   | 22,998               |
| 4   | 6   | 126,118,512                   | 14,604               |
| 7   | 9   | 71,019,888                    | 8,862                |
| 10  | 12  | 59,553,027                    | 8,060                |
| 13  | 15  | 48,086,593                    | 7,250                |
| 16  | 18  | 34,490,361                    | 5,566                |
| 19  | 21  | 18,453,624                    | 3,049                |
| 22  | 24  | 16,861,990                    | 3,203                |
| 25  | 27  | 12,620,265                    | 2,745                |
| 28  | 30  | 9,082,629                     | 2,373                |
| 31  | 33  | 4,523,530                     | 1,442                |
| 34  | 36  | 1,364,855                     | 506                  |
| 37  | 39  | 841,961                       | 390                  |
| 40  | 42  | 2,521,323                     | 1,056                |
| 43  | 45  | 4,155,878                     | 1,773                |
| 46  | 48  | 4,304,042                     | 1,907                |
| 49  | 51  | 2,659,139                     | 1,286                |
| 52  | 54  | 1,133,702                     | 688                  |
| 55  | 57  | 172,011                       | 203                  |
| 58  | 60  | 76,274                        | 188                  |
| <b>Weighted Average</b>                                 |     | 9                             |                      |
| <b>Total</b>  |     | 639,424,210                   | 88,149               |

| New Conditional Sale                                    |     |                               |                      |
|---|-----|-------------------------------|----------------------|
| Number of Months Since Origination (as at Cut-Off Date) |     | Current Principal Balance (£) | Number of Agreements |
| Min   | Max |                               |                      |
| 0   | 3   | 17,172,958                    | 1,288                |
| 4   | 6   | 9,876,815                     | 830                  |
| 7   | 9   | 6,536,518                     | 615                  |
| 10  | 12  | 4,505,890                     | 454                  |
| 13  | 15  | 3,423,029                     | 458                  |
| 16  | 18  | 3,404,907                     | 541                  |
| 19  | 21  | 304,370                       | 26                   |
| 22  | 24  | 195,143                       | 22                   |
| 25  | 27  | 345,971                       | 34                   |
| 28  | 30  | 630,717                       | 54                   |
| 31  | 33  | 234,586                       | 22                   |
| 34  | 36  | 5,321                         | 1                    |
| 37  | 39  | -                             | -                    |
| 40  | 42  | 189,356                       | 57                   |
| 43  | 45  | 762,846                       | 242                  |
| 46  | 48  | 2,331,639                     | 852                  |
| 49  | 51  | 1,329,885                     | 610                  |

| New Conditional Sale                                    |     |                               |                      |
|---|-----|-------------------------------|----------------------|
| Number of Months Since Origination (as at Cut-Off Date) |     | Current Principal Balance (£) | Number of Agreements |
| Min   | Max |                               |                      |
| 52  | 54  | 793,816                       | 467                  |
| 55  | 57  | 108,334                       | 134                  |
| 58  | 60  | 49,916                        | 125                  |
| <b>Weighted Average</b>                                 |     | 11                            |                      |
| <b>Total</b>  |     | 52,202,018                    | 6,832                |

| New PCP   |     |                               |                      |
|---|-----|-------------------------------|----------------------|
| Number of Months Since Origination (as at Cut-Off Date) |     | Current Principal Balance (£) | Number of Agreements |
| Min   | Max |                               |                      |
| 0   | 3   | 36,452,584                    | 3,879                |
| 4   | 6   | 39,851,488                    | 4,843                |
| 7   | 9   | 23,345,682                    | 2,970                |
| 10  | 12  | 25,299,132                    | 3,688                |
| 13  | 15  | 19,624,355                    | 3,138                |
| 16  | 18  | 11,773,554                    | 1,926                |
| 19  | 21  | 6,985,064                     | 1,104                |
| 22  | 24  | 7,686,194                     | 1,399                |
| 25  | 27  | 4,828,924                     | 1,134                |
| 28  | 30  | 3,027,238                     | 967                  |
| 31  | 33  | 1,583,558                     | 645                  |
| 34  | 36  | 421,481                       | 147                  |
| 37  | 39  | 315,500                       | 140                  |
| 40  | 42  | 237,792                       | 147                  |
| 43  | 45  | 42,222                        | 36                   |
| 46  | 48  | 8,988                         | 18                   |
| 49  | 51  | —                             | —                    |
| 52  | 54  | —                             | —                    |
| 55  | 57  | —                             | —                    |
| 58  | 60  | —                             | —                    |
| <b>Weighted Average</b>                                 |     | 10                            | —                    |
| <b>Total</b>  |     | 181,483,756                   | 26,181               |

| Used Conditional Sale                                   |     |                               |                      |
|---|-----|-------------------------------|----------------------|
| Number of Months Since Origination (as at Cut-Off Date) |     | Current Principal Balance (£) | Number of Agreements |
| Min   | Max |                               |                      |
| 0   | 3   | 121,406,698                   | 11,977               |
| 4   | 6   | 46,179,778                    | 4,590                |
| 7   | 9   | 19,997,664                    | 1,881                |
| 10  | 12  | 12,317,576                    | 942                  |
| 13  | 15  | 9,774,330                     | 828                  |
| 16  | 18  | 7,716,245                     | 703                  |
| 19  | 21  | 3,792,576                     | 266                  |
| 22  | 24  | 2,646,152                     | 212                  |
| 25  | 27  | 3,003,059                     | 267                  |
| 28  | 30  | 2,472,816                     | 236                  |
| 31  | 33  | 1,176,707                     | 132                  |
| 34  | 36  | 135,409                       | 13                   |
| 37  | 39  | 85,452                        | 10                   |
| 40  | 42  | 1,732,963                     | 590                  |
| 43  | 45  | 3,259,869                     | 1,387                |
| 46  | 48  | 1,949,734                     | 1,004                |
| 49  | 51  | 1,329,253                     | 676                  |
| 52  | 54  | 339,886                       | 221                  |
| 55  | 57  | 63,677                        | 69                   |
| 58  | 60  | 26,358                        | 63                   |
| <b>Weighted Average</b>                                 |     | 7                             |                      |
| <b>Total</b>  |     | 239,406,201                   | 26,067               |

| Used PCP  |     |                               |                      |
|---|-----|-------------------------------|----------------------|
| Number of Months Since Origination (as at Cut-Off Date) |     | Current Principal Balance (£) | Number of Agreements |
| Min   | Max |                               |                      |

| Used PCP  |     |                               |                      |
|---|-----|-------------------------------|----------------------|
| Number of Months Since Origination (as at Cut-Off Date) |     | Current Principal Balance (£) | Number of Agreements |
| Min   | Max |                               |                      |
| 0   | 3   | 46,352,367                    | 5,854                |
| 4   | 6   | 30,210,431                    | 4,341                |
| 7   | 9   | 21,140,025                    | 3,396                |
| 10  | 12  | 17,430,429                    | 2,976                |
| 13  | 15  | 15,264,880                    | 2,826                |
| 16  | 18  | 11,595,655                    | 2,396                |
| 19  | 21  | 7,371,614                     | 1,653                |
| 22  | 24  | 6,334,502                     | 1,570                |
| 25  | 27  | 4,442,310                     | 1,310                |
| 28  | 30  | 2,951,858                     | 1,116                |
| 31  | 33  | 1,528,680                     | 643                  |
| 34  | 36  | 802,643                       | 345                  |
| 37  | 39  | 441,009                       | 240                  |
| 40  | 42  | 361,212                       | 262                  |
| 43  | 45  | 90,940                        | 108                  |
| 46  | 48  | 13,680                        | 33                   |
| 49  | 51  | —                             | —                    |
| 52  | 54  | —                             | —                    |
| 55  | 57  | —                             | —                    |
| 58  | 60  | —                             | —                    |
| <b>Weighted Average</b>                                 |     | 10                            |                      |
| <b>Total</b>  |     | 166,332,235                   | 29,069               |

Table 5: Remaining Term of Agreements (from Cut-Off Date to Maturity)

| Total                   |     |                               |                      |
|-------------------------|-----|-------------------------------|----------------------|
| Remaining Term (month)  |     | Current Principal Balance (£) | Number of Agreements |
| Min                     | Max |                               |                      |
| 0                       | 12  | 19,783,535                    | 8,710                |
| 13                      | 24  | 96,561,310                    | 18,844               |
| 25                      | 36  | 199,981,650                   | 28,059               |
| 37                      | 48  | 208,449,092                   | 21,839               |
| 49                      | >   | 114,648,622                   | 10,697               |
| <b>Weighted Average</b> |     | 37                            |                      |
| <b>Total</b>            |     | 639,424,210                   | 88,149               |

| New Conditional Sale    |     |                               |                      |
|-------------------------|-----|-------------------------------|----------------------|
| Remaining Term (month)  |     | Current Principal Balance (£) | Number of Agreements |
| Min                     | Max |                               |                      |
| 0                       | 12  | 8,340,923                     | 2,668                |
| 13                      | 24  | 22,776,825                    | 2,654                |
| 25                      | 36  | 11,872,575                    | 1,001                |
| 37                      | 48  | 6,038,889                     | 312                  |
| 49                      | >   | 3,172,805                     | 197                  |
| <b>Weighted Average</b> |     | 26                            |                      |
| <b>Total</b>            |     | 52,202,018                    | 6,832                |

| New PCP                 |     |                               |                      |
|-------------------------|-----|-------------------------------|----------------------|
| Remaining Term (month)  |     | Current Principal Balance (£) | Number of Agreements |
| Min                     | Max |                               |                      |
| 0                       | 12  | 3,667,735                     | 1,766                |
| 13                      | 24  | 33,925,344                    | 7,103                |
| 25                      | 36  | 93,118,128                    | 12,554               |
| 37                      | 48  | 48,893,882                    | 4,630                |
| 49                      | >   | 1,878,667                     | 128                  |
| <b>Weighted Average</b> |     | 32                            |                      |
| <b>Total</b>            |     | 181,483,756                   | 26,181               |

| Used Conditional Sale  |     |                               |                      |
|------------------------|-----|-------------------------------|----------------------|
| Remaining Term (month) |     | Current Principal Balance (£) | Number of Agreements |
| Min                    | Max |                               |                      |
| 0                      | 12  | 5,300,960                     | 2,564                |

| Used Conditional Sale   |     |                               |                      |
|-------------------------|-----|-------------------------------|----------------------|
| Remaining Term (month)  |     | Current Principal Balance (£) | Number of Agreements |
| Min                     | Max |                               |                      |
| 13                      | 24  | 22,716,549                    | 3,987                |
| 25                      | 36  | 41,608,093                    | 4,673                |
| 37                      | 48  | 69,089,669                    | 5,488                |
| 49                      | >   | 100,690,930                   | 9,355                |
| <b>Weighted Average</b> |     | 44                            |                      |
| <b>Total</b>            |     | 239,406,201                   | 26,067               |

| Used PCP                |     |                               |                      |
|-------------------------|-----|-------------------------------|----------------------|
| Remaining Term (month)  |     | Current Principal Balance (£) | Number of Agreements |
| Min                     | Max |                               |                      |
| 0                       | 12  | 2,473,917                     | 1,712                |
| 13                      | 24  | 17,142,592                    | 5,100                |
| 25                      | 36  | 53,382,853                    | 9,831                |
| 37                      | 48  | 84,426,652                    | 11,409               |
| 49                      | >   | 8,906,220                     | 1,017                |
| <b>Weighted Average</b> |     | 37                            |                      |
| <b>Total</b>            |     | 166,332,235                   | 29,069               |

Table 6: Vehicle Type

| Total                   |                               |                      |
|-------------------------|-------------------------------|----------------------|
| Car or LCV              | Current Principal Balance (£) | Number of Agreements |
| Car                     | 631,456,058                   | 87,361               |
| LCV                     | 7,968,152                     | 788                  |
| <b>Weighted Average</b> | 7,253.90                      |                      |
| <b>Total</b>            | 639,424,210                   | 88,149               |

| New / Used   | Product          | Car or LCV | Current Principal Balance (£) | Number of Agreements |
|--------------|------------------|------------|-------------------------------|----------------------|
| New          | PCP              | Car        | 181,483,756                   | 26,181               |
| New          | Conditional Sale | Car        | 49,901,752                    | 6,623                |
| New          | Conditional Sale | LCV        | 2,300,266                     | 209                  |
| Used         | PCP              | Car        | 166,332,235                   | 29,069               |
| Used         | Conditional Sale | Car        | 233,738,315                   | 25,488               |
| Used         | Conditional Sale | LCV        | 5,667,885                     | 579                  |
| <b>Total</b> |                  |            | 639,424,210                   | 88,149               |

Table 7: Agreement Yields (APR)

| Total     |            |                               |                      |
|-----------|------------|-------------------------------|----------------------|
| Min % (>) | Max % (<=) | Current Principal Balance (£) | Number of Agreements |
| 0         |            | 132,924,487                   | 20,543               |
| 0         | 1          | 105,149                       | 17                   |
| 1         | 2          | 631,434                       | 118                  |
| 2         | 3          | 605,275                       | 92                   |
| 3         | 4          | 52,245,770                    | 6,945                |
| 4         | 5          | 35,971,811                    | 4,236                |
| 5         | 6          | 70,109,142                    | 7,389                |
| 6         | 7          | 69,115,035                    | 8,284                |
| 7         | 8          | 60,741,939                    | 7,082                |
| 8         | 9          | 45,964,886                    | 6,008                |
| 9         | 10         | 76,965,466                    | 11,317               |
| 10        | 11         | 36,025,069                    | 5,220                |
| 11        | 12         | 18,290,081                    | 3,253                |
| 12        | 13         | 17,387,459                    | 3,230                |
| 13        | 14         | 14,883,513                    | 2,726                |
| 14        | 15         | 5,039,343                     | 906                  |
| 15        | 16         | 940,015                       | 302                  |
| 16        | 17         | 1,169,173                     | 280                  |

| Total                   |            |                               |                      |
|-------------------------|------------|-------------------------------|----------------------|
| Min % (>)               | Max % (<=) | Current Principal Balance (£) | Number of Agreements |
| 17                      | 18         | 149,792                       | 91                   |
| 18                      | 19         | 97,310                        | 61                   |
| 19                      | 20         | 18,758                        | 15                   |
| 20                      | 21         | 16,832                        | 15                   |
| 21                      | 22         | 4,569                         | 5                    |
| 22                      | 23         | 9,684                         | 7                    |
| 23                      | 24         | 1,486                         | 3                    |
| 24                      | 25         | 10,400                        | 3                    |
| 25                      | 26         | -                             | -                    |
| 26                      | 27         | 333                           | 1                    |
| 27                      | 28         | -                             | -                    |
| 28                      | 29         | -                             | -                    |
| 29                      | 30         | -                             | -                    |
| 30                      | +          | -                             | -                    |
|                         |            |                               |                      |
| <b>Weighted Average</b> |            | 6.13%                         |                      |
| <b>Total</b>            |            | 639,424,210                   | 88,149               |

| New Conditional Sale    |            |                               |                      |
|-------------------------|------------|-------------------------------|----------------------|
| Min % (>)               | Max % (<=) | Current Principal Balance (£) | Number of Agreements |
| 0                       |            | 35,465,995                    | 5,377                |
| 0                       | 1          | —                             | —                    |
| 1                       | 2          | —                             | —                    |
| 2                       | 3          | 20,851                        | 1                    |
| 3                       | 4          | 1,566,680                     | 148                  |
| 4                       | 5          | 2,570,911                     | 215                  |
| 5                       | 6          | 5,088,501                     | 377                  |
| 6                       | 7          | 3,546,803                     | 292                  |
| 7                       | 8          | 1,299,816                     | 103                  |
| 8                       | 9          | 1,109,581                     | 119                  |
| 9                       | 10         | 594,141                       | 72                   |
| 10                      | 11         | 614,510                       | 57                   |
| 11                      | 12         | 69,215                        | 19                   |
| 12                      | 13         | 120,105                       | 24                   |
| 13                      | 14         | 64,151                        | 10                   |
| 14                      | 15         | 27,151                        | 6                    |
| 15                      | 16         | 24,147                        | 5                    |
| 16                      | 17         | 14,611                        | 5                    |
| 17                      | 18         | 4,849                         | 2                    |
| 18                      | 19         | —                             | —                    |
| 19                      | 20         | —                             | —                    |
| 20                      | 21         | —                             | —                    |
| 21                      | 22         | —                             | —                    |
| 22                      | 23         | —                             | —                    |
| 23                      | 24         | —                             | —                    |
| 24                      | 25         | —                             | —                    |
| 25                      | 26         | —                             | —                    |
| 26                      | 27         | —                             | —                    |
| 27                      | 28         | —                             | —                    |
| 28                      | 29         | —                             | —                    |
| 29                      | 30         | —                             | —                    |
| 30                      | +          | —                             | —                    |
|                         |            |                               |                      |
| <b>Weighted Average</b> |            | 2.03%                         |                      |
| <b>Total</b>            |            | 52,202,018                    | 6,832                |

| New PCP                 |            |                               |                      |
|-------------------------|------------|-------------------------------|----------------------|
| Min % (>)               | Max % (<=) | Current Principal Balance (£) | Number of Agreements |
| 0                       |            | 80,896,914                    | 12,885               |
| 0                       | 1          | —                             | —                    |
| 1                       | 2          | 46,566                        | 9                    |
| 2                       | 3          | 48,265                        | 7                    |
| 3                       | 4          | 47,610,745                    | 6,457                |
| 4                       | 5          | 9,244,948                     | 1,344                |
| 5                       | 6          | 29,942,966                    | 3,406                |
| 6                       | 7          | 10,151,830                    | 1,382                |
| 7                       | 8          | 1,070,353                     | 199                  |
| 8                       | 9          | 1,201,236                     | 217                  |
| 9                       | 10         | 686,281                       | 152                  |
| 10                      | 11         | 359,622                       | 61                   |
| 11                      | 12         | 119,850                       | 29                   |
| 12                      | 13         | 39,035                        | 15                   |
| 13                      | 14         | 58,310                        | 16                   |
| 14                      | 15         | 3,933                         | 1                    |
| 15                      | 16         | 2,901                         | 1                    |
| 16                      | 17         | —                             | —                    |
| 17                      | 18         | —                             | —                    |
| 18                      | 19         | —                             | —                    |
| 19                      | 20         | —                             | —                    |
| 20                      | 21         | —                             | —                    |
| 21                      | 22         | —                             | —                    |
| 22                      | 23         | —                             | —                    |
| 23                      | 24         | —                             | —                    |
| 24                      | 25         | —                             | —                    |
| 25                      | 26         | —                             | —                    |
| 26                      | 27         | —                             | —                    |
| 27                      | 28         | —                             | —                    |
| 28                      | 29         | —                             | —                    |
| 29                      | 30         | —                             | —                    |
| 30                      | +          | —                             | —                    |
| <b>Weighted Average</b> |            | 2.74%                         |                      |
| <b>Total</b>            |            | 181,483,756                   | 26,181               |

| Used Conditional Sale |            |                               |                      |
|-----------------------|------------|-------------------------------|----------------------|
| Min % (>)             | Max % (<=) | Current Principal Balance (£) | Number of Agreements |
| 0                     |            | 13,955,752                    | 1,783                |
| 0                     | 1          | 99,072                        | 15                   |
| 1                     | 2          | 308,122                       | 45                   |
| 2                     | 3          | 375,544                       | 55                   |
| 3                     | 4          | 2,003,764                     | 197                  |
| 4                     | 5          | 12,782,092                    | 905                  |
| 5                     | 6          | 19,338,392                    | 1,329                |
| 6                     | 7          | 26,814,561                    | 2,173                |
| 7                     | 8          | 37,444,178                    | 3,506                |
| 8                     | 9          | 26,801,101                    | 2,754                |
| 9                     | 10         | 39,168,754                    | 4,576                |
| 10                    | 11         | 22,377,990                    | 2,584                |
| 11                    | 12         | 10,699,172                    | 1,504                |
| 12                    | 13         | 11,428,302                    | 1,839                |
| 13                    | 14         | 9,912,754                     | 1,508                |
| 14                    | 15         | 3,908,795                     | 648                  |
| 15                    | 16         | 722,298                       | 226                  |
| 16                    | 17         | 973,697                       | 228                  |
| 17                    | 18         | 134,913                       | 84                   |



| Used Conditional Sale   |            |                               |                      |
|-------------------------|------------|-------------------------------|----------------------|
| Min % (>)               | Max % (<=) | Current Principal Balance (£) | Number of Agreements |
| 18                      | 19         | 94,887                        | 59                   |
| 19                      | 20         | 18,758                        | 15                   |
| 20                      | 21         | 16,832                        | 15                   |
| 21                      | 22         | 4,569                         | 5                    |
| 22                      | 23         | 9,684                         | 7                    |
| 23                      | 24         | 1,486                         | 3                    |
| 24                      | 25         | 10,400                        | 3                    |
| 25                      | 26         | —                             | —                    |
| 26                      | 27         | 333                           | 1                    |
| 27                      | 28         | —                             | —                    |
| 28                      | 29         | —                             | —                    |
| 29                      | 30         | —                             | —                    |
| 30                      | +          | —                             | —                    |
|                         |            |                               |                      |
| <b>Weighted Average</b> |            | 8.18%                         |                      |
| <b>Total</b>            |            | 239,406,201                   | 26,067               |

| Used PCP                |            |                               |                      |
|-------------------------|------------|-------------------------------|----------------------|
| Min % (>)               | Max % (<=) | Current Principal Balance (£) | Number of Agreements |
| 0                       |            | 2,605,826                     | 498                  |
| 0                       | 1          | 6,077                         | 2                    |
| 1                       | 2          | 276,746                       | 64                   |
| 2                       | 3          | 160,614                       | 29                   |
| 3                       | 4          | 1,064,581                     | 143                  |
| 4                       | 5          | 11,373,859                    | 1,772                |
| 5                       | 6          | 15,739,284                    | 2,277                |
| 6                       | 7          | 28,601,841                    | 4,437                |
| 7                       | 8          | 20,927,591                    | 3,274                |
| 8                       | 9          | 16,852,969                    | 2,918                |
| 9                       | 10         | 36,516,290                    | 6,517                |
| 10                      | 11         | 12,672,947                    | 2,518                |
| 11                      | 12         | 7,401,845                     | 1,701                |
| 12                      | 13         | 5,800,016                     | 1,352                |
| 13                      | 14         | 4,848,298                     | 1,192                |
| 14                      | 15         | 1,099,464                     | 251                  |
| 15                      | 16         | 190,669                       | 70                   |
| 16                      | 17         | 180,865                       | 47                   |
| 17                      | 18         | 10,030                        | 5                    |
| 18                      | 19         | 2,423                         | 2                    |
| 19                      | 20         | —                             | —                    |
| 20                      | 21         | —                             | —                    |
| 21                      | 22         | —                             | —                    |
| 22                      | 23         | —                             | —                    |
| 23                      | 24         | —                             | —                    |
| 24                      | 25         | —                             | —                    |
| 25                      | 26         | —                             | —                    |
| 26                      | 27         | —                             | —                    |
| 27                      | 28         | —                             | —                    |
| 28                      | 29         | —                             | —                    |
| 29                      | 30         | —                             | —                    |
| 30                      | +          | —                             | —                    |
|                         |            |                               |                      |
| <b>Weighted Average</b> |            | 8.18%                         |                      |
| <b>Total</b>            |            | 166,332,235                   | 29,069               |

**Table 8: Distribution by Loan-to-Value Ratio**

In this Table 8, **Vehicle Value** means:

- (i) in the case of a new vehicle, the average list price; and
- (ii) in the case of a used vehicle, the retail price,

in each case at the time of origination of the relevant Receivable.

| Origination Amount \ Vehicle Value |            | Total                |                      |
|------------------------------------|------------|----------------------|----------------------|
| Min % (>)                          | Max % (<=) | Original Balance (£) | Number of Agreements |
| 0                                  | 10         | 36,710               | 20                   |
| 10                                 | 20         | 663,772              | 183                  |
| 20                                 | 30         | 2,683,014            | 547                  |
| 30                                 | 40         | 13,864,239           | 1,629                |
| 40                                 | 50         | 39,140,176           | 3,505                |
| 50                                 | 60         | 49,970,315           | 4,121                |
| 60                                 | 70         | 134,218,259          | 9,156                |
| 70                                 | 80         | 212,878,214          | 13,537               |
| 80                                 | 90         | 302,952,272          | 19,106               |
| 90                                 | 100        | 301,715,162          | 20,061               |
| 100                                | 110        | 156,428,193          | 11,316               |
| 110                                | 120        | 55,787,341           | 4,266                |
| 120                                | 130        | 8,163,667            | 601                  |
| 130                                | 140        | 1,123,689            | 85                   |
| 140                                | 150        | 191,191              | 15                   |
| 150                                | 160        | -                    | -                    |
| 160                                | 170        | 12,999               | 1                    |
| 170                                | 180        | -                    | -                    |
| 180                                | 190        | -                    | -                    |
| 190                                | 200        | -                    | -                    |
| 200                                | +          | -                    | -                    |
| <b>Weighted Average</b>            |            | 85.54%               |                      |
| <b>Total</b>                       |            | 1,279,829,214        | 88,149               |

| Origination Amount \ Vehicle Value |            | New Conditional Sale |                      |
|------------------------------------|------------|----------------------|----------------------|
| Min % (>)                          | Max % (<=) | Original Balance (£) | Number of Agreements |
| 0                                  | 10         | 16,883               | 10                   |
| 10                                 | 20         | 164,896              | 34                   |
| 20                                 | 30         | 715,054              | 100                  |
| 30                                 | 40         | 8,876,635            | 767                  |
| 40                                 | 50         | 28,395,096           | 2,082                |
| 50                                 | 60         | 14,140,785           | 982                  |
| 60                                 | 70         | 6,571,049            | 478                  |
| 70                                 | 80         | 7,853,886            | 541                  |
| 80                                 | 90         | 11,081,322           | 744                  |
| 90                                 | 100        | 12,056,643           | 746                  |
| 100                                | 110        | 4,570,426            | 277                  |
| 110                                | 120        | 956,723              | 57                   |
| 120                                | 130        | 212,628              | 14                   |
| 130                                | 140        | -                    | -                    |
| 140                                | 150        | -                    | -                    |
| 150                                | 160        | -                    | -                    |
| 160                                | 170        | -                    | -                    |
| 170                                | 180        | -                    | -                    |
| 180                                | 190        | -                    | -                    |
| 190                                | 200        | -                    | -                    |
| 200                                | +          | -                    | -                    |
| <b>Weighted Average</b>            |            | 58.37%               |                      |
| <b>Total</b>                       |            | 95,612,027           | 6,832                |

**New PCP**

| Origination Amount \ Vehicle Value |            | Original Balance (£) | Number of Agreements |
|------------------------------------|------------|----------------------|----------------------|
| Min % (>)                          | Max % (<=) |                      |                      |
| 0                                  | 10         | -                    | -                    |
| 10                                 | 20         | -                    | -                    |
| 20                                 | 30         | -                    | -                    |
| 30                                 | 40         | -                    | -                    |
| 40                                 | 50         | 451,478              | 34                   |
| 50                                 | 60         | 15,871,743           | 970                  |
| 60                                 | 70         | 81,378,651           | 4,716                |
| 70                                 | 80         | 117,709,128          | 6,182                |
| 80                                 | 90         | 147,133,885          | 7,469                |
| 90                                 | 100        | 108,187,506          | 5,435                |
| 100                                | 110        | 27,600,332           | 1,247                |
| 110                                | 120        | 3,205,359            | 126                  |
| 120                                | 130        | 76,671               | 2                    |
| 130                                | 140        | -                    | -                    |
| 140                                | 150        | -                    | -                    |
| 150                                | 160        | -                    | -                    |
| 160                                | 170        | -                    | -                    |
| 170                                | 180        | -                    | -                    |
| 180                                | 190        | -                    | -                    |
| 190                                | 200        | -                    | -                    |
| 200                                | +          | -                    | -                    |
| <b>Weighted Average</b>            |            | 83.95%               |                      |
| <b>Total</b>                       |            | 501,614,753          | 26,181               |

| Used Conditional Sale              |            |                      |                      |
|------------------------------------|------------|----------------------|----------------------|
| Origination Amount \ Vehicle Value |            | Original Balance (£) | Number of Agreements |
| Min % (>)                          | Max % (<=) |                      |                      |
| 0                                  | 10         | 19,827               | 10                   |
| 10                                 | 20         | 498,876              | 149                  |
| 20                                 | 30         | 1,967,960            | 447                  |
| 30                                 | 40         | 4,987,604            | 862                  |
| 40                                 | 50         | 10,246,906           | 1,384                |
| 50                                 | 60         | 17,225,127           | 1,951                |
| 60                                 | 70         | 22,703,470           | 2,294                |
| 70                                 | 80         | 37,306,436           | 3,312                |
| 80                                 | 90         | 52,018,982           | 4,355                |
| 90                                 | 100        | 68,697,279           | 5,635                |
| 100                                | 110        | 47,812,304           | 3,851                |
| 110                                | 120        | 18,419,490           | 1,382                |
| 120                                | 130        | 4,890,927            | 342                  |
| 130                                | 140        | 1,031,088            | 78                   |
| 140                                | 150        | 191,191              | 15                   |
| 150                                | 160        | -                    | -                    |
| 160                                | 170        | -                    | -                    |
| 170                                | 180        | -                    | -                    |
| 180                                | 190        | -                    | -                    |
| 190                                | 200        | -                    | -                    |
| 200                                | +          | -                    | -                    |
| <b>Weighted Average</b>            |            | 86.45%               |                      |
| <b>Total</b>                       |            | 288,017,467          | 26,067               |

| Used PCP                           |            |                      |                      |
|------------------------------------|------------|----------------------|----------------------|
| Origination Amount \ Vehicle Value |            | Original Balance (£) | Number of Agreements |
| Min % (>)                          | Max % (<=) |                      |                      |
| 0                                  | 10         | -                    | -                    |
| 10                                 | 20         | -                    | -                    |
| 20                                 | 30         | -                    | -                    |
| 30                                 | 40         | -                    | -                    |
| 40                                 | 50         | 46,696               | 5                    |
| 50                                 | 60         | 2,732,660            | 218                  |
| 60                                 | 70         | 23,565,088           | 1,668                |
| 70                                 | 80         | 50,008,764           | 3,502                |
| 80                                 | 90         | 92,718,083           | 6,538                |
| 90                                 | 100        | 112,773,734          | 8,245                |
| 100                                | 110        | 76,445,132           | 5,941                |
| 110                                | 120        | 33,205,769           | 2,701                |
| 120                                | 130        | 2,983,441            | 243                  |
| 130                                | 140        | 92,602               | 7                    |

| Used PCP                           |            |                      |                      |  |
|------------------------------------|------------|----------------------|----------------------|--|
| Origination Amount \ Vehicle Value |            | Original Balance (£) | Number of Agreements |  |
| Min % (>)                          | Max % (<=) |                      |                      |  |
| 140                                | 150        | -                    | -                    |  |
| 150                                | 160        | -                    | -                    |  |
| 160                                | 170        | 12,999               | 1                    |  |
| 170                                | 180        | -                    | -                    |  |
| 180                                | 190        | -                    | -                    |  |
| 190                                | 200        | -                    | -                    |  |
| 200                                | +          | -                    | -                    |  |
| <b>Weighted Average</b>            |            | 94.51%               |                      |  |
| <b>Total</b>                       |            | 394,584,967          | 29,069               |  |

**Table 9: Deposit as a Percentage of Purchase Price**

In this Table 9:

**Deposit** means the deposit paid by a Customer in relation to a Receivable (and does not, for the avoidance of doubt, refer to the first instalment payable under the relevant Underlying Agreement); and

**Purchase Price** means the amount which a Customer pays to the relevant Dealer in respect of the relevant vehicle.

| Total                   |            |                      |                               |                      |
|-------------------------|------------|----------------------|-------------------------------|----------------------|
| Deposit Value %         |            | Original Balance (£) | Current Principal Balance (£) | Number of Agreements |
| Min % (>)               | Max % (<=) |                      |                               |                      |
|                         | 10         | 515,986,212          | 281,594,666                   | 35,911               |
| 10                      | 20         | 313,534,947          | 148,212,999                   | 19,777               |
| 20                      | 30         | 217,509,732          | 89,176,444                    | 13,529               |
| 30                      | 40         | 142,791,308          | 53,191,007                    | 9,812                |
| 40                      | 50         | 36,082,070           | 27,528,171                    | 3,357                |
| 50                      | 60         | 42,610,606           | 30,142,006                    | 3,819                |
| 60                      | 70         | 7,623,128            | 6,454,674                     | 1,130                |
| 70                      | 80         | 2,942,043            | 2,494,569                     | 602                  |
| 80                      | 90         | 717,860              | 601,807                       | 197                  |
| 90                      | 100        | 31,309               | 27,867                        | 15                   |
| <b>Weighted Average</b> |            | 16.97%               |                               |                      |
| <b>Total</b>            |            | 1,279,829,214        | 639,424,210                   | 88,149               |

| New Conditional Sale    |            |                      |                               |                      |
|-------------------------|------------|----------------------|-------------------------------|----------------------|
| Deposit Value %         |            | Original Balance (£) | Current Principal Balance (£) | Number of Agreements |
| Min % (>)               | Max % (<=) |                      |                               |                      |
|                         | 10         | 19,014,340           | 7,122,430                     | 1,238                |
| 10                      | 20         | 13,097,253           | 5,100,919                     | 842                  |
| 20                      | 30         | 7,194,992            | 2,739,752                     | 508                  |
| 30                      | 40         | 4,947,406            | 2,437,223                     | 364                  |
| 40                      | 50         | 16,883,274           | 11,580,090                    | 1,199                |
| 50                      | 60         | 31,671,241           | 20,911,152                    | 2,348                |
| 60                      | 70         | 1,968,449            | 1,630,619                     | 206                  |
| 70                      | 80         | 666,573              | 544,447                       | 87                   |
| 80                      | 90         | 162,994              | 131,802                       | 37                   |
| 90                      | 100        | 5,505                | 3,585                         | 3                    |
| <b>Weighted Average</b> |            | 40.58%               |                               |                      |
| <b>Total</b>            |            | 95,612,027           | 52,202,018                    | 6,832                |

| New PCP                 |            |                      |                               |                      |
|-------------------------|------------|----------------------|-------------------------------|----------------------|
| Deposit Value %         |            | Original Balance (£) | Current Principal Balance (£) | Number of Agreements |
| Min % (>)               | Max % (<=) |                      |                               |                      |
|                         | 10         | 159,502,997          | 66,982,981                    | 8,327                |
| 10                      | 20         | 143,152,415          | 55,718,069                    | 7,120                |
| 20                      | 30         | 115,693,321          | 36,048,096                    | 5,775                |
| 30                      | 40         | 83,205,709           | 22,726,525                    | 4,954                |
| 40                      | 50         | 60,311               | 8,085                         | 5                    |
| 50                      | 60         | —                    | —                             | —                    |
| 60                      | 70         | —                    | —                             | —                    |
| 70                      | 80         | —                    | —                             | —                    |
| 80                      | 90         | —                    | —                             | —                    |
| 90                      | 100        | —                    | —                             | —                    |
|                         |            |                      |                               |                      |
| <b>Weighted Average</b> |            | 15.82%               |                               |                      |
| <b>Total</b>            |            | 501,614,753          | 181,483,756                   | 26,181               |

| Used Conditional Sale   |            |                      |                               |                      |
|-------------------------|------------|----------------------|-------------------------------|----------------------|
| Deposit Value %         |            | Original Balance (£) | Current Principal Balance (£) | Number of Agreements |
| Min % (>)               | Max % (<=) |                      |                               |                      |
|                         | 10         | 129,142,062          | 108,989,322                   | 10,380               |
| 10                      | 20         | 57,303,784           | 46,512,270                    | 4,791                |
| 20                      | 30         | 38,928,442           | 31,553,673                    | 3,366                |
| 30                      | 40         | 24,251,856           | 19,955,850                    | 2,314                |
| 40                      | 50         | 18,949,663           | 15,895,919                    | 2,135                |
| 50                      | 60         | 10,930,841           | 9,230,703                     | 1,470                |
| 60                      | 70         | 5,654,679            | 4,824,055                     | 924                  |
| 70                      | 80         | 2,275,469            | 1,950,122                     | 515                  |
| 80                      | 90         | 554,866              | 470,005                       | 160                  |
| 90                      | 100        | 25,804               | 24,282                        | 12                   |
|                         |            |                      |                               |                      |
| <b>Weighted Average</b> |            | 17.53%               |                               |                      |
| <b>Total</b>            |            | 288,017,467          | 239,406,201                   | 26,067               |

| Used PCP                |            |                      |                               |                      |
|-------------------------|------------|----------------------|-------------------------------|----------------------|
| Deposit Value %         |            | Original Balance (£) | Current Principal Balance (£) | Number of Agreements |
| Min % (>)               | Max % (<=) |                      |                               |                      |
|                         | 10         | 208,326,812          | 98,499,934                    | 15,966               |
| 10                      | 20         | 99,981,496           | 40,881,741                    | 7,024                |
| 20                      | 30         | 55,692,976           | 18,834,923                    | 3,880                |
| 30                      | 40         | 30,386,337           | 8,071,408                     | 2,180                |
| 40                      | 50         | 188,822              | 44,078                        | 18                   |
| 50                      | 60         | 8,524                | 151                           | 1                    |
| 60                      | 70         | —                    | —                             | —                    |
| 70                      | 80         | —                    | —                             | —                    |
| 80                      | 90         | —                    | —                             | —                    |
| 90                      | 100        | —                    | —                             | —                    |
|                         |            |                      |                               |                      |
| <b>Weighted Average</b> |            | 10.00%               |                               |                      |
| <b>Total</b>            |            | 394,584,967          | 166,332,235                   | 29,069               |

**Table 10: Model Year: Current Agreement Balances**

In this Table 10, **Cash Price** means, in respect of each vehicle, the sum of (i) the Deposit (as defined in relation to Table 9 above) and (ii) the aggregate amount of all instalments payable under the relevant Underlying Agreement.

**Total**

| Year of Manufacture | Cash Price (£) | Percentage of Cash Price | Number of Agreements | Percentage of Agreements |
|---------------------|----------------|--------------------------|----------------------|--------------------------|
| 2005                | 81,809         | 0.01%                    | 14                   | 0.02%                    |
| 2006                | 786,414        | 0.05%                    | 115                  | 0.13%                    |
| 2007                | 2,664,651      | 0.16%                    | 326                  | 0.37%                    |
| 2008                | 4,056,353      | 0.25%                    | 499                  | 0.57%                    |
| 2009                | 8,872,349      | 0.55%                    | 940                  | 1.07%                    |
| 2010                | 20,598,974     | 1.27%                    | 1,918                | 2.18%                    |
| 2011                | 32,882,933     | 2.03%                    | 2,594                | 2.94%                    |
| 2012                | 73,005,129     | 4.52%                    | 5,447                | 6.18%                    |
| 2013                | 174,895,259    | 10.82%                   | 12,157               | 13.79%                   |
| 2014                | 212,883,261    | 13.17%                   | 13,832               | 15.69%                   |
| 2015                | 295,352,749    | 18.27%                   | 15,601               | 17.70%                   |
| 2016                | 505,057,477    | 31.24%                   | 22,707               | 25.76%                   |
| 2017                | 285,579,739    | 17.66%                   | 11,999               | 13.61%                   |
|                     |                |                          |                      |                          |
|                     |                |                          |                      |                          |
| <b>Mean</b>         | 18,341         |                          |                      |                          |
| <b>Total</b>        | 1,616,717,096  | 100%                     | 88,149               | 100%                     |

| New Conditional Sale |                |                          |                      |                          |
|----------------------|----------------|--------------------------|----------------------|--------------------------|
| Year of Manufacture  | Cash Price (£) | Percentage of Cash Price | Number of Agreements | Percentage of Agreements |
| 2012                 | 3,994,542      | 2.43%                    | 266                  | 3.89%                    |
| 2013                 | 34,202,067     | 20.79%                   | 2,169                | 31.75%                   |
| 2014                 | 1,442,694      | 0.88%                    | 76                   | 1.11%                    |
| 2015                 | 3,373,411      | 2.05%                    | 147                  | 2.15%                    |
| 2016                 | 63,429,154     | 38.55%                   | 2,071                | 30.31%                   |
| 2017                 | 58,105,381     | 35.31%                   | 2,103                | 30.78%                   |
|                      |                |                          |                      |                          |
| <b>Mean</b>          | 24,085         |                          |                      |                          |
| <b>Total</b>         | 164,547,249    | 100%                     | 6,832                | 100%                     |

| New PCP             |                |                          |                      |                          |
|---------------------|----------------|--------------------------|----------------------|--------------------------|
| Year of Manufacture | Cash Price (£) | Percentage of Cash Price | Number of Agreements | Percentage of Agreements |
| 2013                | 1,522,827      | 0.25%                    | 57                   | 0.22%                    |
| 2014                | 24,844,407     | 4.00%                    | 1,099                | 4.20%                    |
| 2015                | 110,119,722    | 17.74%                   | 4,620                | 17.65%                   |
| 2016                | 281,693,436    | 45.38%                   | 11,817               | 45.14%                   |
| 2017                | 202,515,573    | 32.63%                   | 8,588                | 32.80%                   |
|                     |                |                          |                      |                          |
| <b>Mean</b>         | 23,708         |                          |                      |                          |
| <b>Total</b>        | 620,695,965    | 100%                     | 26,181               | 100%                     |

| Used Conditional Sale |                |                          |                      |                          |
|-----------------------|----------------|--------------------------|----------------------|--------------------------|
| Year of Manufacture   | Cash Price (£) | Percentage of Cash Price | Number of Agreements | Percentage of Agreements |
| 2005                  | 81,809         | 0.02%                    | 14                   | 0.05%                    |
| 2006                  | 786,414        | 0.21%                    | 115                  | 0.44%                    |
| 2007                  | 2,664,651      | 0.71%                    | 326                  | 1.25%                    |
| 2008                  | 4,056,353      | 1.08%                    | 499                  | 1.91%                    |
| 2009                  | 8,872,349      | 2.35%                    | 940                  | 3.61%                    |
| 2010                  | 20,434,282     | 5.42%                    | 1,905                | 7.31%                    |
| 2011                  | 28,749,508     | 7.63%                    | 2,278                | 8.74%                    |
| 2012                  | 46,239,446     | 12.27%                   | 3,477                | 13.34%                   |
| 2013                  | 68,865,829     | 18.27%                   | 4,847                | 18.59%                   |
| 2014                  | 71,812,103     | 19.05%                   | 4,962                | 19.04%                   |
| 2015                  | 58,650,266     | 15.56%                   | 3,338                | 12.81%                   |
| 2016                  | 56,083,090     | 14.88%                   | 2,910                | 11.16%                   |
| 2017                  | 9,602,722      | 2.55%                    | 456                  | 1.75%                    |
|                       |                |                          |                      |                          |
| <b>Mean</b>           | 14,459         |                          |                      |                          |
| <b>Total</b>          | 376,898,823    | 100%                     | 26,067               | 100%                     |

| Used PCP            |                |                          |                      |                          |
|---------------------|----------------|--------------------------|----------------------|--------------------------|
| Year of Manufacture | Cash Price (£) | Percentage of Cash Price | Number of Agreements | Percentage of Agreements |
| 2010                | 164,691        | 0.04%                    | 13                   | 0.04%                    |
| 2011                | 4,133,425      | 0.91%                    | 316                  | 1.09%                    |
| 2012                | 22,771,141     | 5.01%                    | 1,704                | 5.86%                    |
| 2013                | 70,304,535     | 15.47%                   | 5,084                | 17.49%                   |

| Used PCP            |                |                          |                      |                          |
|---------------------|----------------|--------------------------|----------------------|--------------------------|
| Year of Manufacture | Cash Price (£) | Percentage of Cash Price | Number of Agreements | Percentage of Agreements |
| 2014                | 114,784,057    | 25.25%                   | 7,695                | 26.47%                   |
| 2015                | 123,209,350    | 27.10%                   | 7,496                | 25.79%                   |
| 2016                | 103,851,797    | 22.85%                   | 5,909                | 20.33%                   |
| 2017                | 15,356,063     | 3.38%                    | 852                  | 2.93%                    |
|                     |                |                          |                      |                          |
| Mean                | 15,638         |                          |                      |                          |
| Total               | 454,575,060    | 100%                     | 29,069               | 100%                     |

Table 11: Geographical Distribution

| Total            |                               |                      |
|------------------|-------------------------------|----------------------|
| Region           | Current Principal Balance (£) | Number of Agreements |
| East Midlands    | 99,191,945                    | 13,915               |
| Greater London   | 66,091,037                    | 7,364                |
| North East       | 67,561,649                    | 9,886                |
| North West       | 77,213,588                    | 10,756               |
| Northern Ireland | 17,909,952                    | 2,552                |
| Scotland         | 80,004,308                    | 12,093               |
| South East       | 113,822,958                   | 14,511               |
| South West       | 39,753,837                    | 5,670                |
| Wales            | 23,028,479                    | 3,602                |
| West Midlands    | 54,846,456                    | 7,800                |

| New / Used | Product          | Region           | Current Principal Balance (£) | Number of Agreements |
|------------|------------------|------------------|-------------------------------|----------------------|
| New        | PCP              | East Midlands    | 24,384,904                    | 3,416                |
| New        | PCP              | Greater London   | 16,458,715                    | 2,197                |
| New        | PCP              | North East       | 17,503,821                    | 2,497                |
| New        | PCP              | North West       | 19,481,028                    | 2,786                |
| New        | PCP              | Northern Ireland | 4,879,459                     | 771                  |
| New        | PCP              | Scotland         | 25,631,330                    | 4,155                |
| New        | PCP              | South East       | 36,829,202                    | 5,062                |
| New        | PCP              | South West       | 13,830,161                    | 2,025                |
| New        | PCP              | Wales            | 6,629,462                     | 1,016                |
| New        | PCP              | West Midlands    | 15,855,673                    | 2,256                |
| New        | Conditional Sale | East Midlands    | 7,243,950                     | 970                  |
| New        | Conditional Sale | Greater London   | 4,099,210                     | 461                  |
| New        | Conditional Sale | North East       | 5,729,821                     | 836                  |
| New        | Conditional Sale | North West       | 6,382,070                     | 790                  |
| New        | Conditional Sale | Northern Ireland | 1,575,007                     | 209                  |
| New        | Conditional Sale | Scotland         | 5,903,178                     | 779                  |
| New        | Conditional Sale | South East       | 10,320,481                    | 1,280                |
| New        | Conditional Sale | South West       | 4,149,210                     | 496                  |
| New        | Conditional Sale | Wales            | 2,913,230                     | 419                  |
| New        | Conditional Sale | West Midlands    | 3,885,862                     | 592                  |
| Used       | PCP              | East Midlands    | 31,955,665                    | 5,423                |
| Used       | PCP              | Greater London   | 14,201,165                    | 2,317                |
| Used       | PCP              | North East       | 18,278,752                    | 3,339                |
| Used       | PCP              | North West       | 18,654,388                    | 3,529                |
| Used       | PCP              | Northern Ireland | 3,506,836                     | 596                  |
| Used       | PCP              | Scotland         | 23,093,676                    | 3,945                |
| Used       | PCP              | South East       | 26,344,668                    | 4,443                |
| Used       | PCP              | South West       | 8,245,868                     | 1,497                |
| Used       | PCP              | Wales            | 7,345,181                     | 1,396                |
| Used       | PCP              | West Midlands    | 14,706,036                    | 2,584                |
| Used       | Conditional Sale | East Midlands    | 35,607,425                    | 4,106                |
| Used       | Conditional Sale | Greater London   | 31,331,947                    | 2,389                |
| Used       | Conditional Sale | North East       | 26,049,255                    | 3,214                |
| Used       | Conditional Sale | North West       | 32,696,101                    | 3,651                |
| Used       | Conditional Sale | Northern Ireland | 7,948,650                     | 976                  |
| Used       | Conditional Sale | Scotland         | 25,376,124                    | 3,214                |
| Used       | Conditional Sale | South East       | 40,328,608                    | 3,726                |
| Used       | Conditional Sale | South West       | 13,528,599                    | 1,652                |
| Used       | Conditional Sale | Wales            | 6,140,606                     | 771                  |
| Used       | Conditional Sale | West Midlands    | 20,398,886                    | 2,368                |

**Table 12: PCP Guaranteed Future Value Payments (PCP GFV) as a Percentage of Amount of PCP Loan at Origination**

| Total                        |            |                               |                                 |                      |                          |
|------------------------------|------------|-------------------------------|---------------------------------|----------------------|--------------------------|
| PCP GFV / Origination Amount |            | Current Principal Balance (£) | Percentage of Principal Balance | Number of Agreements | Percentage of Agreements |
| Min % (>)                    | Max % (<=) |                               |                                 |                      |                          |
| 0                            | 10         | -                             | 0.00%                           | -                    | 0.00%                    |
| 10                           | 20         | 34,930                        | 0.01%                           | 3                    | 0.01%                    |
| 20                           | 30         | 12,747,991                    | 3.67%                           | 1657                 | 3.00%                    |
| 30                           | 40         | 133,435,727                   | 38.36%                          | 19298                | 34.93%                   |
| 40                           | 50         | 121,665,067                   | 34.98%                          | 19027                | 34.44%                   |
| 50                           | 60         | 51,349,103                    | 14.76%                          | 9018                 | 16.32%                   |
| 60                           | 70         | 20,768,401                    | 5.97%                           | 4,166                | 7.54%                    |
| 70                           | 80         | 6,664,278                     | 1.92%                           | 1,597                | 2.89%                    |
| 80                           | 90         | 1,076,227                     | 0.31%                           | 416                  | 0.75%                    |
| 90                           | 100        | 74,267                        | 0.02%                           | 68                   | 0.12%                    |
| <b>Weighted Average</b>      |            | 43.82%                        |                                 |                      |                          |
| <b>Total</b>                 |            | 347,815,991                   | 100.00%                         | 55,250               | 100.00%                  |

| New                          |            |                               |                                 |                      |                          |
|------------------------------|------------|-------------------------------|---------------------------------|----------------------|--------------------------|
| PCP GFV / Origination Amount |            | Current Principal Balance (£) | Percentage of Principal Balance | Number of Agreements | Percentage of Agreements |
| Min % (>)                    | Max % (<=) |                               |                                 |                      |                          |
| 0                            | 10         | -                             | 0.00%                           | -                    | 0.00%                    |
| 10                           | 20         | 24,443                        | 0.01%                           | 2                    | 0.01%                    |
| 20                           | 30         | 5,194,026                     | 2.86%                           | 580                  | 2.22%                    |
| 30                           | 40         | 56,822,076                    | 31.31%                          | 7,185                | 27.44%                   |
| 40                           | 50         | 65,701,276                    | 36.20%                          | 8,997                | 34.36%                   |
| 50                           | 60         | 32,741,826                    | 18.04%                          | 5,130                | 19.59%                   |
| 60                           | 70         | 15,156,108                    | 8.35%                           | 2,776                | 10.60%                   |
| 70                           | 80         | 5,012,968                     | 2.76%                           | 1,162                | 4.44%                    |
| 80                           | 90         | 781,452                       | 0.43%                           | 301                  | 1.15%                    |
| 90                           | 100        | 49,580                        | 0.03%                           | 48                   | 0.18%                    |
| <b>Weighted Average</b>      |            | 45.79%                        |                                 |                      |                          |
| <b>Total</b>                 |            | 181,483,756                   | 100.00%                         | 26,181               | 100.00%                  |

| Used                         |            |                               |                                 |                      |                          |
|------------------------------|------------|-------------------------------|---------------------------------|----------------------|--------------------------|
| PCP GFV / Origination Amount |            | Current Principal Balance (£) | Percentage of Principal Balance | Number of Agreements | Percentage of Agreements |
| Min % (>)                    | Max % (<=) |                               |                                 |                      |                          |
| 0                            | 10         | -                             | 0.00%                           | -                    | 0.00%                    |
| 10                           | 20         | 10,487                        | 0.01%                           | 1                    | 0.00%                    |
| 20                           | 30         | 7,553,966                     | 4.54%                           | 1,077                | 3.70%                    |
| 30                           | 40         | 76,613,651                    | 46.06%                          | 12,113               | 41.67%                   |
| 40                           | 50         | 55,963,791                    | 33.65%                          | 10,030               | 34.50%                   |
| 50                           | 60         | 18,607,277                    | 11.19%                          | 3,888                | 13.38%                   |
| 60                           | 70         | 5,612,292                     | 3.37%                           | 1,390                | 4.78%                    |
| 70                           | 80         | 1,651,309                     | 0.99%                           | 435                  | 1.50%                    |
| 80                           | 90         | 294,775                       | 0.18%                           | 115                  | 0.40%                    |
| 90                           | 100        | 24,687                        | 0.01%                           | 20                   | 0.07%                    |
| <b>Weighted Average</b>      |            | 41.67%                        |                                 |                      |                          |
| <b>Total</b>                 |            | 166,332,235                   | 100.00%                         | 29,069               | 100.00%                  |

**Table 13: Method of Payment**

| Payment Method | Current Principal Balance | Number of Agreements |
|----------------|---------------------------|----------------------|
| Direct Debit   | £639,424,210              | 88,149               |
| Standing Order | £0                        | —                    |
| <b>Total</b>   | <b>£639,424,210</b>       | <b>88,149</b>        |

**Table 14: Obligor Concentration**

| Rank | Current Total Principal Balance (£) | Number of Agreements |
|------|-------------------------------------|----------------------|
| 1    | 120,028                             | 2                    |



|              |                     |           |
|--------------|---------------------|-----------|
| 2            | 119,460             | 1         |
| 3            | 116,994             | 1         |
| 4            | 112,740             | 1         |
| 5            | 112,219             | 1         |
| 6            | 111,549             | 1         |
| 7            | 107,943             | 1         |
| 8            | 107,434             | 1         |
| 9            | 104,783             | 1         |
| 10           | 101,421             | 1         |
| 11           | 101,033             | 1         |
| 12           | 100,395             | 1         |
| 13           | 99,964              | 1         |
| 14           | 99,876              | 1         |
| 15           | 99,656              | 2         |
| 16           | 98,851              | 2         |
| 17           | 98,387              | 1         |
| 18           | 98,150              | 1         |
| 19           | 97,871              | 1         |
| 20           | 97,290              | 1         |
| <b>Total</b> | <b>2,106,044.78</b> | <b>23</b> |

**Table 15: Manufacturer Concentration**

| Manufacturer  | Current Principal Balance (£) | Percentage of Balance |
|---------------|-------------------------------|-----------------------|
| Volvo         | 154,016,836                   | 24.1%                 |
| Mazda         | 136,304,767                   | 21.3%                 |
| Vauxhall      | 56,706,930                    | 8.9%                  |
| Ford          | 48,466,588                    | 7.6%                  |
| Land Rover    | 44,778,386                    | 7.0%                  |
| Mercedes-Benz | 24,710,558                    | 3.9%                  |
| Nissan        | 23,989,357                    | 3.8%                  |
| Audi          | 22,594,777                    | 3.5%                  |
| BMW           | 21,337,947                    | 3.3%                  |
| Volkswagen    | 13,000,373                    | 2.0%                  |
| Kia           | 8,372,626                     | 1.3%                  |
| Peugeot       | 8,333,880                     | 1.3%                  |
| Renault       | 8,034,728                     | 1.3%                  |
| Citroen       | 7,914,503                     | 1.2%                  |
| Other         | 60,861,955                    | 9.5%                  |
| <b>Total</b>  | <b>639,424,210</b>            | <b>100%</b>           |

**Table 16: Payment Due Day**

| Due Day | Current Principal Balance (£) | Percentage of Balance | Number of Agreements | Percentage of Agreements |
|---------|-------------------------------|-----------------------|----------------------|--------------------------|
| 1       | 47,080,282                    | 7.36%                 | 6,723                | 7.63%                    |
| 2       | 20,275,479                    | 3.17%                 | 2,899                | 3.29%                    |
| 3       | 18,982,193                    | 2.97%                 | 2,665                | 3.02%                    |
| 4       | 15,585,788                    | 2.44%                 | 2,194                | 2.49%                    |
| 5       | 16,499,321                    | 2.58%                 | 2,249                | 2.55%                    |
| 6       | 16,809,772                    | 2.63%                 | 2,260                | 2.56%                    |
| 7       | 16,051,874                    | 2.51%                 | 2,230                | 2.53%                    |
| 8       | 17,177,441                    | 2.69%                 | 2,303                | 2.61%                    |
| 9       | 15,589,844                    | 2.44%                 | 2,190                | 2.48%                    |

|              |                    |             |               |             |
|--------------|--------------------|-------------|---------------|-------------|
| 10           | 18,330,419         | 2.87%       | 2,494         | 2.83%       |
| 11           | 16,184,005         | 2.53%       | 2,162         | 2.45%       |
| 12           | 16,667,046         | 2.61%       | 2,250         | 2.55%       |
| 13           | 17,091,912         | 2.67%       | 2,320         | 2.63%       |
| 14           | 16,862,346         | 2.64%       | 2,340         | 2.65%       |
| 15           | 17,865,160         | 2.79%       | 2,508         | 2.85%       |
| 16           | 17,085,785         | 2.67%       | 2,443         | 2.77%       |
| 17           | 17,999,101         | 2.81%       | 2,511         | 2.85%       |
| 18           | 16,915,647         | 2.65%       | 2,386         | 2.71%       |
| 19           | 17,412,310         | 2.72%       | 2,333         | 2.65%       |
| 20           | 20,252,903         | 3.17%       | 2,658         | 3.02%       |
| 21           | 19,488,793         | 3.05%       | 2,611         | 2.96%       |
| 22           | 20,200,077         | 3.16%       | 2,661         | 3.02%       |
| 23           | 18,259,379         | 2.86%       | 2,540         | 2.88%       |
| 24           | 20,775,061         | 3.25%       | 2,782         | 3.16%       |
| 25           | 21,645,841         | 3.39%       | 2,950         | 3.35%       |
| 26           | 20,763,359         | 3.25%       | 2,859         | 3.24%       |
| 27           | 24,714,386         | 3.87%       | 3,340         | 3.79%       |
| 28           | 31,329,278         | 4.90%       | 4,365         | 4.95%       |
| 29           | 28,266,099         | 4.42%       | 3,811         | 4.32%       |
| 30           | 26,701,537         | 4.18%       | 3,754         | 4.26%       |
| 31           | 30,561,772         | 4.78%       | 4,358         | 4.94%       |
| <b>Total</b> | <b>639,424,210</b> | <b>100%</b> | <b>88,149</b> | <b>100%</b> |

Table 17: Luxury Cars

| Luxury Car*  | Current Total Principal Balance (£) | Percentage of Balance | Number of Agreements | Percentage of Agreements |
|--------------|-------------------------------------|-----------------------|----------------------|--------------------------|
| Y            | 26,931,886                          | 2.54%                 | 432                  | 0.49%                    |
| N            | 1,032,206,553                       | 97.46%                | 87,717               | 99.51%                   |
| <b>Total</b> | <b>1,059,138,439</b>                | <b>100%</b>           | <b>88,149</b>        | <b>100%</b>              |

\*Luxury car means the current total principal balance of the contract exceeds £50,000

Table 18: Fuel Type

| Total        |                               |                       |                      |                          |
|--------------|-------------------------------|-----------------------|----------------------|--------------------------|
| Fuel Type    | Current Principal Balance (£) | Percentage of Balance | Number of Agreements | Percentage of Agreements |
| Diesel       | 372,885,017                   | 58.32%                | 43,717               | 49.59%                   |
| Petrol       | 258,797,360                   | 40.47%                | 43,911               | 49.81%                   |
| Other        | 7,741,833                     | 1.21%                 | 521                  | 0.59%                    |
| <b>Total</b> | <b>639,424,210</b>            | <b>100%</b>           | <b>88,149</b>        | <b>100%</b>              |

## Static Pool Performance

The following statistical information sets out certain historical data in respect of a representative pool of historical loans originated by SCUK up to the Cut-Off Date. The information set out below may not necessarily correspond to that of the Purchased Receivables on the Closing Date. After the Closing Date, the Portfolio will change from time to time as a result of repayment, prepayments, repurchase of Purchased Receivables or purchase of Further Receivables.

Cumulative Gross Defaulted Receivables is since the year of origination. For example, period 1 of 2008 Vintage represents the cumulative default of loans originated in 2008 at January 2009. 'O' refers to the cumulative default in the Year of Origination.

Cumulative Recovery shows the recovery from the initial declaration of default through recoveries in the year of default (0) and 1-7 years after default.

For each of the "Vintage Delinquency (Greater than 30 days delinquent)" and "Periodic CPR" tables, the below data only sets out the historical position until the point of time where at least 10 per cent. of the original portfolio was outstanding.

In this section (*Static Pool Performance*):

**ABS** refers to the monthly prepayment speed that results in a constant cash amount of prepayments; and

**CPR** is a measure by which prepayments are calculated as an annualised percentage of the amount outstanding of the pool at the start of the period in which the prepayments occur.

\*Due to loss data extending only until March 2017, only 3 loss points are available for 2017.

**Total Portfolio**

| <b>Cumulative Gross Credit Default: Total Portfolio</b> |             |             |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Month</b>  | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> |
| 0   | 0.07%       | 0.05%       | 0.05%       | 0.04%       | 0.06%       | 0.04%       | 0.05%       |
| 1   | 0.10%       | 0.07%       | 0.07%       | 0.06%       | 0.06%       | 0.05%       | 0.07%       |
| 2   | 0.15%       | 0.08%       | 0.09%       | 0.07%       | 0.08%       | 0.07%       | 0.08%       |
| 3   | 0.18%       | 0.11%       | 0.11%       | 0.11%       | 0.09%       | 0.08%       | 0.13%       |
| 4   | 0.22%       | 0.14%       | 0.13%       | 0.13%       | 0.11%       | 0.11%       |             |
| 5   | 0.27%       | 0.16%       | 0.15%       | 0.15%       | 0.12%       | 0.15%       |             |
| 6   | 0.30%       | 0.18%       | 0.16%       | 0.17%       | 0.14%       | 0.18%       |             |
| 7   | 0.35%       | 0.22%       | 0.19%       | 0.19%       | 0.16%       | 0.21%       |             |
| 8   | 0.39%       | 0.24%       | 0.22%       | 0.20%       | 0.19%       | 0.25%       |             |
| 9   | 0.46%       | 0.27%       | 0.25%       | 0.25%       | 0.22%       | 0.29%       |             |
| 10  | 0.52%       | 0.30%       | 0.28%       | 0.28%       | 0.24%       | 0.33%       |             |
| 11  | 0.58%       | 0.33%       | 0.31%       | 0.30%       | 0.26%       | 0.37%       |             |
| 12  | 0.62%       | 0.37%       | 0.34%       | 0.31%       | 0.30%       | 0.42%       |             |
| 13  | 0.67%       | 0.40%       | 0.36%       | 0.33%       | 0.30%       | 0.44%       |             |
| 14  | 0.71%       | 0.43%       | 0.39%       | 0.35%       | 0.32%       | 0.48%       |             |
| 15  | 0.74%       | 0.47%       | 0.42%       | 0.36%       | 0.35%       | 0.52%       |             |
| 16  | 0.77%       | 0.49%       | 0.44%       | 0.38%       | 0.37%       |             |             |
| 17  | 0.80%       | 0.50%       | 0.46%       | 0.39%       | 0.39%       |             |             |
| 18  | 0.83%       | 0.53%       | 0.47%       | 0.40%       | 0.42%       |             |             |
| 19  | 0.87%       | 0.55%       | 0.48%       | 0.41%       | 0.44%       |             |             |
| 20  | 0.91%       | 0.57%       | 0.49%       | 0.43%       | 0.46%       |             |             |
| 21  | 0.93%       | 0.60%       | 0.52%       | 0.44%       | 0.47%       |             |             |
| 22  | 0.95%       | 0.63%       | 0.53%       | 0.44%       | 0.48%       |             |             |
| 23  | 0.98%       | 0.64%       | 0.54%       | 0.46%       | 0.50%       |             |             |
| 24  | 1.00%       | 0.65%       | 0.55%       | 0.47%       | 0.50%       |             |             |
| 25  | 1.03%       | 0.66%       | 0.55%       | 0.48%       | 0.51%       |             |             |
| 26  | 1.05%       | 0.67%       | 0.57%       | 0.48%       | 0.52%       |             |             |
| 27  | 1.07%       | 0.69%       | 0.57%       | 0.49%       | 0.54%       |             |             |
| 28  | 1.08%       | 0.70%       | 0.58%       | 0.50%       |             |             |             |
| 29  | 1.10%       | 0.71%       | 0.59%       | 0.51%       |             |             |             |
| 30  | 1.13%       | 0.72%       | 0.60%       | 0.52%       |             |             |             |
| 31  | 1.14%       | 0.73%       | 0.61%       | 0.53%       |             |             |             |
| 32  | 1.16%       | 0.73%       | 0.62%       | 0.56%       |             |             |             |
| 33  | 1.17%       | 0.75%       | 0.63%       | 0.57%       |             |             |             |
| 34  | 1.19%       | 0.75%       | 0.63%       | 0.57%       |             |             |             |
| 35  | 1.20%       | 0.76%       | 0.64%       | 0.58%       |             |             |             |
| 36  | 1.21%       | 0.77%       | 0.65%       | 0.60%       |             |             |             |
| 37  | 1.21%       | 0.77%       | 0.66%       | 0.61%       |             |             |             |
| 38  | 1.21%       | 0.79%       | 0.66%       | 0.62%       |             |             |             |
| 39  | 1.22%       | 0.79%       | 0.67%       | 0.63%       |             |             |             |
| 40  | 1.22%       | 0.80%       | 0.68%       |             |             |             |             |
| 41  | 1.23%       | 0.80%       | 0.68%       |             |             |             |             |
| 42  | 1.23%       | 0.80%       | 0.69%       |             |             |             |             |
| 43  | 1.24%       | 0.81%       | 0.69%       |             |             |             |             |
| 44  | 1.24%       | 0.81%       | 0.70%       |             |             |             |             |
| 45  | 1.24%       | 0.81%       | 0.70%       |             |             |             |             |
| 46  | 1.24%       | 0.82%       | 0.71%       |             |             |             |             |
| 47  | 1.25%       | 0.82%       | 0.71%       |             |             |             |             |
| 48  | 1.25%       | 0.82%       | 0.71%       |             |             |             |             |
| 49  | 1.25%       | 0.82%       | 0.72%       |             |             |             |             |
| 50  | 1.25%       | 0.83%       | 0.72%       |             |             |             |             |
| 51  | 1.26%       | 0.83%       | 0.72%       |             |             |             |             |
| 52  | 1.26%       | 0.83%       |             |             |             |             |             |
| 53  | 1.26%       | 0.83%       |             |             |             |             |             |
| 54  | 1.26%       | 0.83%       |             |             |             |             |             |
| 55  | 1.26%       | 0.83%       |             |             |             |             |             |
| 56  | 1.26%       | 0.84%       |             |             |             |             |             |
| 57  | 1.26%       | 0.84%       |             |             |             |             |             |
| 58  | 1.27%       | 0.84%       |             |             |             |             |             |
| 59  | 1.27%       | 0.84%       |             |             |             |             |             |
| 60  | 1.27%       | 0.84%       |             |             |             |             |             |

| <b>Cumulative Recovery from Credit Default: Total Portfolio</b> |             |             |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Year of Default</b>  | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> |
| <b>Initial</b>  | 45.08%      | 37.87%      | 42.40%      | 43.88%      | 55.32%      | 47.45%      | 40.98%      |

| Cumulative Recovery from Credit Default: Total Portfolio |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| 0  | 47.19% | 39.02% | 44.27% | 45.30% | 57.08% | 49.55% | 43.54% |
| 1  | 49.91% | 41.86% | 47.35% | 47.61% | 60.66% | 53.55% |        |
| 2  | 51.74% | 43.15% | 49.11% | 49.14% | 63.08% |        |        |
| 3  | 52.78% | 44.14% | 50.33% | 50.66% |        |        |        |
| 4  | 53.51% | 45.15% | 51.39% |        |        |        |        |
| 5  | 53.93% | 45.98% |        |        |        |        |        |

| Vintage Delinquency (Greater than 30 days delinquent) : Total Portfolio |       |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|-------|
| Month   | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  |
| 0   | 0.00% | 0.00% | 0.01% | 0.00% | 0.01% | 0.00% | 0.01% | 0.00% |
| 1   | 0.37% | 0.38% | 0.28% | 0.24% | 0.22% | 0.19% | 0.38% | 0.55% |
| 2   | 0.30% | 0.23% | 0.18% | 0.14% | 0.14% | 0.23% | 0.41% | 0.70% |
| 3   | 0.38% | 0.24% | 0.20% | 0.18% | 0.19% | 0.30% | 0.54% |       |
| 4   | 0.44% | 0.28% | 0.26% | 0.22% | 0.24% | 0.33% | 0.62% |       |
| 5   | 0.57% | 0.33% | 0.32% | 0.25% | 0.27% | 0.49% | 0.83% |       |
| 6   | 0.58% | 0.38% | 0.35% | 0.28% | 0.33% | 0.51% | 0.89% |       |
| 7   | 0.62% | 0.47% | 0.40% | 0.29% | 0.37% | 0.57% | 1.00% |       |
| 8   | 0.67% | 0.49% | 0.36% | 0.32% | 0.38% | 0.62% | 1.10% |       |
| 9   | 0.72% | 0.51% | 0.39% | 0.38% | 0.42% | 0.71% | 1.11% |       |
| 10  | 0.78% | 0.53% | 0.41% | 0.37% | 0.48% | 0.75% | 1.11% |       |
| 11  | 0.81% | 0.56% | 0.45% | 0.40% | 0.53% | 0.86% | 1.18% |       |
| 12  | 0.83% | 0.57% | 0.51% | 0.43% | 0.56% | 0.98% | 1.14% |       |
| 13  | 0.87% | 0.62% | 0.53% | 0.39% | 0.57% | 1.02% |       |       |
| 14  | 0.96% | 0.66% | 0.51% | 0.39% | 0.63% | 1.13% |       |       |
| 15  | 0.93% | 0.67% | 0.50% | 0.41% | 0.67% | 1.20% |       |       |
| 16  | 0.92% | 0.68% | 0.52% | 0.45% | 0.69% | 1.20% |       |       |
| 17  | 0.89% | 0.68% | 0.49% | 0.48% | 0.74% | 1.29% |       |       |
| 18  | 0.90% | 0.68% | 0.58% | 0.47% | 0.74% | 1.25% |       |       |
| 19  | 0.96% | 0.72% | 0.59% | 0.49% | 0.73% | 1.43% |       |       |
| 20  | 0.94% | 0.80% | 0.58% | 0.55% | 0.80% | 1.43% |       |       |
| 21  | 1.03% | 0.75% | 0.59% | 0.58% | 0.80% | 1.38% |       |       |
| 22  | 1.09% | 0.82% | 0.66% | 0.60% | 0.91% | 1.49% |       |       |
| 23  | 1.10% | 0.79% | 0.66% | 0.66% | 0.94% | 1.39% |       |       |
| 24  | 1.10% | 0.89% | 0.76% | 0.73% | 1.06% | 1.38% |       |       |
| 25  | 1.35% | 0.96% | 0.77% | 0.83% | 1.16% |       |       |       |
| 26  | 1.30% | 0.99% | 0.79% | 0.87% | 1.30% |       |       |       |
| 27  | 1.42% | 0.98% | 0.86% | 0.89% | 1.38% |       |       |       |
| 28  | 1.44% | 1.07% | 0.93% | 0.94% | 1.46% |       |       |       |
| 29  | 1.47% | 1.21% | 0.95% | 1.06% | 1.52% |       |       |       |
| 30  | 1.60% | 1.20% | 1.01% | 1.11% | 1.76% |       |       |       |
| 31  | 1.67% | 1.35% | 1.13% | 1.13% | 1.95% |       |       |       |
| 32  | 1.66% | 1.36% | 1.22% | 1.26% | 2.16% |       |       |       |
| 33  | 1.87% | 1.41% | 1.32% | 1.36% | 2.12% |       |       |       |
| 34  | 1.99% | 1.60% | 1.39% | 1.47% |       |       |       |       |
| 35  | 2.27% | 1.68% | 1.59% | 1.56% |       |       |       |       |
| 36  | 2.21% | 1.69% | 1.50% | 1.62% |       |       |       |       |
| 37  |       |       | 2.49% | 2.11% |       |       |       |       |
| 38  |       |       | 2.10% | 1.98% |       |       |       |       |
| 39  |       |       |       | 1.97% |       |       |       |       |
| 40  |       |       |       | 2.13% |       |       |       |       |

**Periodic ABS: Total Portfolio**

| Periodic ABS: Total Portfolio |       |       |       |       |       |       |       |       |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Month                         | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  |
| 1                             | 0.44% | 0.51% | 0.46% | 0.47% | 0.56% | 0.55% | 0.79% | 0.15% |
| 2                             | 0.54% | 0.61% | 0.47% | 0.47% | 0.55% | 0.66% | 0.67% |       |
| 3                             | 0.51% | 0.59% | 0.46% | 0.52% | 0.55% | 0.65% | 0.63% |       |
| 4                             | 0.55% | 0.69% | 0.51% | 0.51% | 0.60% | 0.60% | 0.55% |       |
| 5                             | 0.57% | 0.65% | 0.56% | 0.55% | 0.60% | 0.66% | 0.55% |       |
| 6                             | 0.53% | 0.60% | 0.57% | 0.58% | 0.66% | 0.68% | 0.62% |       |
| 7                             | 0.56% | 0.62% | 0.65% | 0.57% | 0.59% | 0.63% | 0.57% |       |
| 8                             | 0.60% | 0.65% | 0.66% | 0.64% | 0.74% | 0.68% | 0.51% |       |
| 9                             | 0.67% | 0.79% | 0.77% | 0.71% | 0.77% | 0.81% | 0.59% |       |
| 10                            | 0.79% | 0.88% | 0.86% | 0.85% | 0.99% | 0.91% | 0.65% |       |
| 11                            | 0.69% | 0.78% | 0.76% | 0.70% | 0.83% | 0.84% | 0.51% |       |
| 12                            | 0.57% | 0.74% | 0.74% | 0.69% | 0.83% | 0.79% | 0.38% |       |
| 13                            | 0.61% | 0.79% | 0.72% | 0.73% | 0.78% | 0.81% | 0.23% |       |
| 14                            | 0.65% | 0.85% | 0.79% | 0.74% | 0.83% | 0.84% |       |       |
| 15                            | 0.69% | 0.88% | 0.87% | 0.78% | 0.92% | 0.79% |       |       |
| 16                            | 0.73% | 0.92% | 0.90% | 0.84% | 0.99% | 0.86% |       |       |
| 17                            | 0.73% | 0.93% | 0.90% | 0.85% | 0.96% | 0.77% |       |       |
| 18                            | 0.71% | 1.00% | 0.82% | 0.91% | 0.97% | 0.73% |       |       |
| 19                            | 0.70% | 0.99% | 0.97% | 0.96% | 1.04% | 0.77% |       |       |
| 20                            | 0.81% | 1.08% | 1.04% | 1.04% | 1.06% | 0.78% |       |       |
| 21                            | 0.99% | 1.20% | 1.15% | 1.23% | 1.20% | 0.81% |       |       |
| 22                            | 1.10% | 1.30% | 1.32% | 1.34% | 1.30% | 1.10% |       |       |
| 23                            | 0.94% | 1.19% | 1.19% | 1.19% | 1.20% | 0.93% |       |       |
| 24                            | 0.87% | 1.10% | 1.10% | 1.13% | 1.09% | 0.61% |       |       |
| 25                            | 0.89% | 1.12% | 1.11% | 1.11% | 1.15% | 0.30% |       |       |
| 26                            | 1.01% | 1.16% | 1.06% | 1.12% | 1.20% |       |       |       |
| 27                            | 1.00% | 1.17% | 1.12% | 1.16% | 1.13% |       |       |       |
| 28                            | 1.04% | 1.23% | 1.28% | 1.26% | 1.28% |       |       |       |
| 29                            | 1.15% | 1.24% | 1.28% | 1.18% | 1.19% |       |       |       |
| 30                            | 1.18% | 1.34% | 1.30% | 1.26% | 1.16% |       |       |       |
| 31                            | 1.28% | 1.33% | 1.40% | 1.38% | 1.16% |       |       |       |
| 32                            | 1.44% | 1.35% | 1.50% | 1.46% | 1.25% |       |       |       |
| 33                            | 1.46% | 1.54% | 1.58% | 1.61% | 1.36% |       |       |       |
| 34                            | 1.40% | 1.54% | 1.56% | 1.75% | 1.54% |       |       |       |
| 35                            | 0.76% | 0.99% | 1.08% | 1.34% |       |       |       |       |
| 36                            | 0.74% | 0.91% | 1.02% | 1.23% |       |       |       |       |
| 37                            | 0.74% | 1.00% | 1.07% | 1.21% |       |       |       |       |
| 38                            |       |       | 1.12% | 1.37% |       |       |       |       |
| 39                            |       |       | 1.11% | 1.38% |       |       |       |       |
| 40                            |       |       |       | 1.35% |       |       |       |       |
| 41                            |       |       |       | 1.00% |       |       |       |       |

| Periodic CPR: Total Portfolio |       |       |       |       |       |       |       |       |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Month                         | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  |
| 1                             | 5.11% | 5.93% | 5.36% | 5.45% | 6.49% | 6.41% | 9.07% | 1.78% |
| 2                             | 6.33% | 7.17% | 5.57% | 5.52% | 6.47% | 7.66% | 7.76% |       |
| 3                             | 5.95% | 6.89% | 5.49% | 6.11% | 6.50% | 7.65% | 7.39% |       |
| 4                             | 6.52% | 8.14% | 6.03% | 6.05% | 7.14% | 7.14% | 6.51% |       |
| 5                             | 6.77% | 7.70% | 6.70% | 6.51% | 7.16% | 7.79% | 6.52% |       |
| 6                             | 6.35% | 7.21% | 6.78% | 6.98% | 7.84% | 8.10% | 7.37% |       |
| 7                             | 6.69% | 7.46% | 7.79% | 6.89% | 7.15% | 7.59% | 6.81% |       |

| Periodic CPR: Total Portfolio |        |        |        |        |        |        |       |  |
|-------------------------------|--------|--------|--------|--------|--------|--------|-------|--|
| 8                             | 7.24%  | 7.90%  | 8.05%  | 7.76%  | 8.99%  | 8.26%  | 6.20% |  |
| 9                             | 8.17%  | 9.69%  | 9.38%  | 8.71%  | 9.37%  | 9.91%  | 7.23% |  |
| 10                            | 9.79%  | 10.82% | 10.61% | 10.47% | 12.28% | 11.23% | 8.03% |  |
| 11                            | 8.54%  | 9.74%  | 9.42%  | 8.62%  | 10.40% | 10.42% | 6.28% |  |
| 12                            | 7.05%  | 9.22%  | 9.29%  | 8.59%  | 10.36% | 9.96%  | 4.63% |  |
| 13                            | 7.66%  | 10.02% | 9.10%  | 9.14%  | 9.91%  | 10.21% | 2.81% |  |
| 14                            | 8.24%  | 10.86% | 10.01% | 9.43%  | 10.68% | 10.80% |       |  |
| 15                            | 8.82%  | 11.40% | 11.26% | 10.02% | 11.92% | 10.22% |       |  |
| 16                            | 9.35%  | 12.08% | 11.83% | 10.89% | 13.04% | 11.25% |       |  |
| 17                            | 9.43%  | 12.31% | 11.97% | 11.21% | 12.84% | 10.03% |       |  |
| 18                            | 9.27%  | 13.57% | 10.87% | 12.23% | 13.07% | 9.58%  |       |  |
| 19                            | 9.14%  | 13.50% | 13.19% | 13.09% | 14.34% | 10.26% |       |  |
| 20                            | 10.97% | 15.10% | 14.43% | 14.44% | 14.87% | 10.43% |       |  |
| 21                            | 13.92% | 17.38% | 16.58% | 17.97% | 17.47% | 10.93% |       |  |
| 22                            | 15.91% | 19.54% | 19.82% | 20.17% | 19.53% | 15.90% |       |  |
| 23                            | 13.27% | 17.73% | 17.72% | 17.73% | 17.96% | 13.15% |       |  |
| 24                            | 12.33% | 16.23% | 16.25% | 16.80% | 16.09% | 8.18%  |       |  |
| 25                            | 12.83% | 16.93% | 16.68% | 16.72% | 17.48% | 3.76%  |       |  |
| 26                            | 15.00% | 18.01% | 16.07% | 17.11% | 18.65% |        |       |  |
| 27                            | 15.00% | 18.36% | 17.34% | 18.22% | 17.52% |        |       |  |
| 28                            | 16.08% | 19.89% | 21.09% | 20.64% | 21.08% |        |       |  |
| 29                            | 18.63% | 20.49% | 21.44% | 19.17% | 19.39% |        |       |  |
| 30                            | 19.55% | 23.23% | 22.40% | 21.42% | 19.03% |        |       |  |
| 31                            | 22.28% | 23.52% | 25.38% | 25.00% | 19.35% |        |       |  |
| 32                            | 27.12% | 24.46% | 28.99% | 27.81% | 21.96% |        |       |  |
| 33                            | 28.20% | 30.91% | 32.25% | 33.33% | 25.35% |        |       |  |
| 34                            | 26.98% | 31.62% | 32.60% | 39.77% | 31.61% |        |       |  |
| 35                            | 11.66% | 16.44% | 18.54% | 25.80% |        |        |       |  |
| 36                            | 11.28% | 14.94% | 17.36% | 22.93% |        |        |       |  |
| 37                            | 11.51% | 17.32% | 18.90% | 22.91% |        |        |       |  |
| 38                            |        |        | 20.64% | 28.75% |        |        |       |  |
| 39                            |        |        | 20.86% | 29.60% |        |        |       |  |
| 40                            |        |        |        | 29.40% |        |        |       |  |
| 41                            |        |        |        | 18.23% |        |        |       |  |

**Total PCP**

| Cumulative Gross Credit Default: Total PCP |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|
| Month                                      | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  |
| 0  | 0.01% | 0.02% | 0.01% | 0.02% | 0.04% | 0.00% | 0.02% |
| 1  | 0.01% | 0.02% | 0.01% | 0.02% | 0.04% | 0.00% | 0.03% |
| 2  | 0.01% | 0.03% | 0.02% | 0.02% | 0.06% | 0.01% | 0.03% |
| 3  | 0.03% | 0.03% | 0.03% | 0.03% | 0.07% | 0.01% | 0.04% |
| 4  | 0.03% | 0.03% | 0.04% | 0.03% | 0.09% | 0.02% |       |
| 5  | 0.05% | 0.03% | 0.04% | 0.04% | 0.09% | 0.04% |       |
| 6  | 0.05% | 0.03% | 0.05% | 0.05% | 0.10% | 0.05% |       |
| 7  | 0.06% | 0.03% | 0.06% | 0.06% | 0.10% | 0.06% |       |
| 8  | 0.07% | 0.03% | 0.08% | 0.06% | 0.12% | 0.07% |       |
| 9  | 0.09% | 0.04% | 0.08% | 0.07% | 0.13% | 0.09% |       |
| 10   | 0.12% | 0.05% | 0.10% | 0.08% | 0.14% | 0.10% |       |
| 11   | 0.14% | 0.05% | 0.10% | 0.09% | 0.15% | 0.12% |       |
| 12   | 0.16% | 0.05% | 0.11% | 0.10% | 0.15% | 0.14% |       |
| 13   | 0.17% | 0.06% | 0.11% | 0.11% | 0.16% | 0.15% |       |
| 14   | 0.19% | 0.06% | 0.12% | 0.12% | 0.16% | 0.17% |       |
| 15   | 0.21% | 0.08% | 0.13% | 0.12% | 0.17% | 0.19% |       |
| 16   | 0.23% | 0.08% | 0.13% | 0.12% | 0.18% |       |       |
| 17   | 0.24% | 0.08% | 0.13% | 0.12% | 0.21% |       |       |
| 18   | 0.25% | 0.09% | 0.14% | 0.14% | 0.22% |       |       |
| 19   | 0.26% | 0.11% | 0.14% | 0.14% | 0.24% |       |       |
| 20   | 0.28% | 0.11% | 0.14% | 0.15% | 0.24% |       |       |
| 21   | 0.29% | 0.11% | 0.16% | 0.16% | 0.24% |       |       |
| 22   | 0.29% | 0.12% | 0.17% | 0.16% | 0.24% |       |       |
| 23   | 0.31% | 0.12% | 0.17% | 0.16% | 0.25% |       |       |
| 24   | 0.31% | 0.12% | 0.18% | 0.16% | 0.25% |       |       |
| 25   | 0.33% | 0.12% | 0.19% | 0.16% | 0.26% |       |       |
| 26   | 0.33% | 0.13% | 0.20% | 0.17% | 0.27% |       |       |
| 27   | 0.34% | 0.14% | 0.20% | 0.17% | 0.29% |       |       |
| 28   | 0.35% | 0.15% | 0.21% | 0.17% |       |       |       |
| 29   | 0.35% | 0.16% | 0.22% | 0.19% |       |       |       |
| 30   | 0.36% | 0.17% | 0.24% | 0.19% |       |       |       |
| 31   | 0.37% | 0.17% | 0.25% | 0.20% |       |       |       |
| 32   | 0.39% | 0.17% | 0.26% | 0.23% |       |       |       |
| 33   | 0.41% | 0.18% | 0.26% | 0.25% |       |       |       |
| 34   | 0.42% | 0.18% | 0.27% | 0.26% |       |       |       |
| 35   | 0.43% | 0.19% | 0.28% | 0.27% |       |       |       |
| 36   | 0.44% | 0.19% | 0.29% | 0.31% |       |       |       |
| 37   | 0.45% | 0.20% | 0.30% | 0.33% |       |       |       |
| 38   | 0.45% | 0.22% | 0.31% | 0.34% |       |       |       |
| 39   | 0.45% | 0.22% | 0.31% | 0.37% |       |       |       |
| 40   | 0.45% | 0.23% | 0.32% |       |       |       |       |
| 41   | 0.45% | 0.23% | 0.33% |       |       |       |       |
| 42   | 0.46% | 0.23% | 0.33% |       |       |       |       |
| 43   | 0.46% | 0.23% | 0.33% |       |       |       |       |
| 44   | 0.46% | 0.23% | 0.33% |       |       |       |       |
| 45   | 0.46% | 0.24% | 0.33% |       |       |       |       |
| 46   | 0.46% | 0.24% | 0.33% |       |       |       |       |
| 47   | 0.46% | 0.24% | 0.33% |       |       |       |       |



| Cumulative Gross Credit Default: Total PCP |       |       |       |  |  |  |  |
|--|-------|-------|-------|--|--|--|--|
| 48   | 0.46% | 0.24% | 0.34% |  |  |  |  |
| 49   | 0.46% | 0.25% | 0.34% |  |  |  |  |
| 50   | 0.46% | 0.25% | 0.34% |  |  |  |  |
| 51   | 0.46% | 0.25% | 0.34% |  |  |  |  |
| 52   | 0.46% | 0.25% |       |  |  |  |  |
| 53   | 0.46% | 0.25% |       |  |  |  |  |
| 54   | 0.46% | 0.25% |       |  |  |  |  |
| 55   | 0.46% | 0.25% |       |  |  |  |  |
| 56   | 0.46% | 0.25% |       |  |  |  |  |
| 57   | 0.46% | 0.25% |       |  |  |  |  |
| 58   | 0.46% | 0.25% |       |  |  |  |  |
| 59   | 0.46% | 0.25% |       |  |  |  |  |
| 60   | 0.46% | 0.25% |       |  |  |  |  |

| Cumulative Recovery from Credit Default: Total PCP |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Year of Default                                    | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   |
| Initial  | 56.54% | 50.12% | 55.83% | 60.80% | 64.60% | 69.78% | 56.12% |
| 0  | 56.54% | 51.32% | 56.67% | 62.83% | 64.93% | 70.52% | 57.54% |
| 1  | 57.45% | 55.63% | 59.71% | 63.85% | 68.24% | 72.22% |        |
| 2  | 58.62% | 57.04% | 60.83% | 64.42% | 70.38% |        |        |
| 3  | 59.18% | 58.69% | 61.81% | 65.21% |        |        |        |
| 4  | 59.41% | 59.25% | 62.22% |        |        |        |        |
| 5  | 59.44% | 60.34% |        |        |        |        |        |

| Vintage Delinquency (Greater than 30 days delinquent): Total PCP |       |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|-------|
| Month  | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  |
| 0  | 0.00% | 0.00% | 0.01% | 0.01% | 0.01% | 0.00% | 0.02% | 0.00% |
| 1  | 0.54% | 0.52% | 0.46% | 0.31% | 0.33% | 0.31% | 0.38% | 0.36% |
| 2  | 0.51% | 0.42% | 0.38% | 0.22% | 0.25% | 0.35% | 0.33% | 0.42% |
| 3  | 0.48% | 0.31% | 0.31% | 0.28% | 0.29% | 0.35% | 0.37% |       |
| 4  | 0.48% | 0.25% | 0.36% | 0.27% | 0.31% | 0.29% | 0.43% |       |
| 5  | 0.66% | 0.41% | 0.40% | 0.26% | 0.28% | 0.43% | 0.52% |       |
| 6  | 0.60% | 0.40% | 0.44% | 0.34% | 0.27% | 0.47% | 0.52% |       |
| 7  | 0.61% | 0.40% | 0.51% | 0.28% | 0.33% | 0.42% | 0.50% |       |
| 8  | 0.60% | 0.44% | 0.32% | 0.30% | 0.29% | 0.49% | 0.55% |       |
| 9  | 0.64% | 0.47% | 0.34% | 0.33% | 0.35% | 0.53% | 0.48% |       |
| 10   | 0.64% | 0.53% | 0.41% | 0.27% | 0.42% | 0.51% | 0.58% |       |
| 11   | 0.65% | 0.49% | 0.47% | 0.36% | 0.44% | 0.56% | 0.46% |       |
| 12   | 0.70% | 0.47% | 0.51% | 0.43% | 0.40% | 0.62% | 0.49% |       |
| 13   | 0.61% | 0.49% | 0.54% | 0.39% | 0.35% | 0.61% |       |       |
| 14   | 0.73% | 0.51% | 0.51% | 0.36% | 0.41% | 0.64% |       |       |
| 15   | 0.72% | 0.51% | 0.44% | 0.32% | 0.43% | 0.68% |       |       |
| 16   | 0.71% | 0.47% | 0.46% | 0.35% | 0.42% | 0.61% |       |       |
| 17   | 0.69% | 0.48% | 0.46% | 0.43% | 0.42% | 0.65% |       |       |
| 18   | 0.73% | 0.49% | 0.49% | 0.37% | 0.46% | 0.63% |       |       |
| 19   | 0.72% | 0.45% | 0.55% | 0.43% | 0.42% | 0.66% |       |       |
| 20   | 0.60% | 0.56% | 0.37% | 0.42% | 0.49% | 0.65% |       |       |
| 21   | 0.65% | 0.65% | 0.47% | 0.38% | 0.42% | 0.58% |       |       |
| 22   | 0.78% | 0.47% | 0.59% | 0.37% | 0.42% | 0.61% |       |       |
| 23   | 0.84% | 0.53% | 0.51% | 0.35% | 0.39% | 0.55% |       |       |
| 24   | 0.77% | 0.67% | 0.60% | 0.39% | 0.44% | 0.53% |       |       |
| 25   | 1.22% | 0.75% | 0.68% | 0.49% | 0.45% |       |       |       |

| Vintage Delinquency (Greater than 30 days delinquent): Total PCP |       |       |       |       |       |  |  |  |
|--|-------|-------|-------|-------|-------|--|--|--|
| 26   | 1.01% | 0.79% | 0.59% | 0.47% | 0.49% |  |  |  |
| 27   | 1.00% | 0.57% | 0.72% | 0.44% | 0.59% |  |  |  |
| 28   | 0.95% | 0.52% | 0.75% | 0.43% | 0.58% |  |  |  |
| 29   | 1.00% | 0.71% | 0.64% | 0.52% | 0.52% |  |  |  |
| 30   | 0.94% | 0.61% | 0.73% | 0.49% | 0.69% |  |  |  |
| 31   | 0.92% | 0.82% | 0.80% | 0.49% | 0.74% |  |  |  |
| 32   | 0.97% | 0.88% | 0.89% | 0.54% | 0.89% |  |  |  |
| 33   | 1.06% | 0.87% | 0.89% | 0.74% | 0.84% |  |  |  |
| 34   | 1.01% | 0.97% | 0.89% | 0.72% | 0.75% |  |  |  |
| 35   | 1.14% | 1.03% | 1.20% | 0.91% |       |  |  |  |
| 36   | 0.25% | 0.39% | 0.72% | 0.84% |       |  |  |  |
| 37   |       |       |       | 2.46% |       |  |  |  |
| 38   |       |       |       | 1.82% |       |  |  |  |
| 39   |       |       |       | 1.41% |       |  |  |  |
| 40   |       |       |       | 1.31% |       |  |  |  |

| Periodic ABS: Total PCP |       |       |       |       |       |       |       |       |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Month                   | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  |
| 1                       | 0.29% | 0.52% | 0.51% | 0.36% | 0.33% | 0.45% | 0.68% | 0.23% |
| 2                       | 0.28% | 0.41% | 0.45% | 0.23% | 0.36% | 0.36% | 0.68% | 0.33% |
| 3                       | 0.25% | 0.56% | 0.38% | 0.26% | 0.40% | 0.47% | 0.57% |       |
| 4                       | 0.26% | 0.32% | 0.29% | 0.30% | 0.34% | 0.37% | 0.40% |       |
| 5                       | 0.28% | 0.33% | 0.32% | 0.35% | 0.34% | 0.32% | 0.40% |       |
| 6                       | 0.29% | 0.36% | 0.27% | 0.29% | 0.39% | 0.43% | 0.44% |       |
| 7                       | 0.35% | 0.48% | 0.37% | 0.41% | 0.34% | 0.44% | 0.45% |       |
| 8                       | 0.26% | 0.31% | 0.42% | 0.30% | 0.30% | 0.45% | 0.49% |       |
| 9                       | 0.45% | 0.49% | 0.56% | 0.48% | 0.43% | 0.44% | 0.40% |       |
| 10                      | 0.38% | 0.54% | 0.61% | 0.51% | 0.46% | 0.56% | 0.48% |       |
| 11                      | 0.71% | 0.73% | 0.78% | 0.72% | 0.65% | 0.70% | 0.68% |       |
| 12                      | 0.57% | 0.54% | 0.66% | 0.57% | 0.57% | 0.62% | 0.46% |       |
| 13                      | 0.40% | 0.47% | 0.64% | 0.56% | 0.53% | 0.51% | 0.32% |       |
| 14                      | 0.44% | 0.67% | 0.61% | 0.52% | 0.49% | 0.50% |       |       |
| 15                      | 0.49% | 0.66% | 0.70% | 0.58% | 0.62% | 0.67% |       |       |
| 16                      | 0.55% | 0.77% | 0.89% | 0.72% | 0.57% | 0.58% |       |       |
| 17                      | 0.62% | 0.82% | 0.99% | 0.83% | 0.75% | 0.75% |       |       |
| 18                      | 0.65% | 0.89% | 0.85% | 0.82% | 0.76% | 0.63% |       |       |
| 19                      | 0.76% | 1.01% | 0.83% | 0.76% | 0.80% | 0.69% |       |       |
| 20                      | 0.73% | 0.94% | 1.12% | 1.04% | 0.94% | 0.73% |       |       |
| 21                      | 0.87% | 1.20% | 1.20% | 0.98% | 0.96% | 0.75% |       |       |
| 22                      | 1.10% | 1.34% | 1.35% | 1.38% | 1.17% | 0.69% |       |       |
| 23                      | 1.36% | 1.67% | 1.83% | 1.51% | 1.40% | 1.40% |       |       |
| 24                      | 0.99% | 1.40% | 1.65% | 1.19% | 1.15% | 1.13% |       |       |
| 25                      | 0.89% | 1.36% | 1.47% | 1.22% | 1.14% | 0.53% |       |       |
| 26                      | 1.04% | 1.35% | 1.38% | 1.21% | 1.13% |       |       |       |
| 27                      | 1.19% | 1.39% | 1.36% | 1.15% | 1.17% |       |       |       |
| 28                      | 1.17% | 1.34% | 1.44% | 1.30% | 1.08% |       |       |       |
| 29                      | 1.29% | 1.55% | 1.78% | 1.54% | 1.45% |       |       |       |
| 30                      | 1.56% | 1.57% | 1.76% | 1.43% | 1.32% |       |       |       |
| 31                      | 1.59% | 1.73% | 1.83% | 1.41% | 1.25% |       |       |       |
| 32                      | 1.72% | 1.75% | 1.92% | 1.64% | 1.47% |       |       |       |
| 33                      | 1.94% | 1.92% | 2.01% | 1.76% | 1.56% |       |       |       |
| 34                      | 1.93% | 2.06% | 2.14% | 1.97% | 1.78% |       |       |       |

| Periodic ABS: Total PCP |       |       |       |       |       |  |  |  |
|-------------------------|-------|-------|-------|-------|-------|--|--|--|
| 35                      | 1.84% | 2.01% | 2.03% | 2.10% | 2.03% |  |  |  |
| 36                      | 0.37% | 0.99% | 0.99% | 1.51% |       |  |  |  |
| 37                      | 0.60% | 1.19% | 1.03% | 1.37% |       |  |  |  |
| 38                      |       |       |       | 1.44% |       |  |  |  |
| 39                      |       |       |       | 1.71% |       |  |  |  |
| 40                      |       |       |       | 1.74% |       |  |  |  |
| 41                      |       |       |       | 1.75% |       |  |  |  |

| Periodic CPR: Total PCP |        |        |        |        |        |        |       |       |
|-------------------------|--------|--------|--------|--------|--------|--------|-------|-------|
| Month                   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016  | 2017  |
| 1                       | 3.37%  | 6.03%  | 5.96%  | 4.21%  | 3.89%  | 5.27%  | 7.83% | 2.72% |
| 2                       | 3.35%  | 4.82%  | 5.32%  | 2.67%  | 4.21%  | 4.24%  | 7.91% | 3.88% |
| 3                       | 3.03%  | 6.60%  | 4.53%  | 3.06%  | 4.71%  | 5.56%  | 6.71% |       |
| 4                       | 3.10%  | 3.84%  | 3.45%  | 3.60%  | 4.00%  | 4.39%  | 4.79% |       |
| 5                       | 3.34%  | 3.89%  | 3.80%  | 4.15%  | 4.03%  | 3.83%  | 4.80% |       |
| 6                       | 3.43%  | 4.33%  | 3.27%  | 3.51%  | 4.69%  | 5.16%  | 5.24% |       |
| 7                       | 4.21%  | 5.82%  | 4.44%  | 4.98%  | 4.11%  | 5.31%  | 5.46% |       |
| 8                       | 3.14%  | 3.77%  | 5.08%  | 3.56%  | 3.65%  | 5.44%  | 5.96% |       |
| 9                       | 5.52%  | 5.99%  | 6.85%  | 5.80%  | 5.23%  | 5.35%  | 4.83% |       |
| 10                      | 4.63%  | 6.64%  | 7.43%  | 6.29%  | 5.59%  | 6.82%  | 5.83% |       |
| 11                      | 8.77%  | 9.10%  | 9.73%  | 8.98%  | 8.00%  | 8.62%  | 8.44% |       |
| 12                      | 7.00%  | 6.73%  | 8.18%  | 7.02%  | 7.02%  | 7.76%  | 5.60% |       |
| 13                      | 4.91%  | 5.82%  | 7.99%  | 7.03%  | 6.64%  | 6.36%  | 3.97% |       |
| 14                      | 5.46%  | 8.52%  | 7.71%  | 6.51%  | 6.16%  | 6.19%  |       |       |
| 15                      | 6.09%  | 8.35%  | 8.89%  | 7.28%  | 7.86%  | 8.59%  |       |       |
| 16                      | 6.93%  | 9.94%  | 11.70% | 9.25%  | 7.16%  | 7.38%  |       |       |
| 17                      | 7.94%  | 10.81% | 13.19% | 10.86% | 9.74%  | 9.72%  |       |       |
| 18                      | 8.48%  | 11.87% | 11.24% | 10.85% | 9.98%  | 8.18%  |       |       |
| 19                      | 10.05% | 13.81% | 11.12% | 10.06% | 10.70% | 9.05%  |       |       |
| 20                      | 9.69%  | 12.91% | 15.74% | 14.43% | 12.84% | 9.67%  |       |       |
| 21                      | 11.87% | 17.38% | 17.34% | 13.74% | 13.38% | 10.07% |       |       |
| 22                      | 15.93% | 20.26% | 20.42% | 21.04% | 17.16% | 9.19%  |       |       |
| 23                      | 20.89% | 27.36% | 31.27% | 24.01% | 21.66% | 21.70% |       |       |
| 24                      | 14.27% | 22.21% | 27.64% | 17.96% | 17.26% | 16.80% |       |       |
| 25                      | 12.70% | 21.65% | 24.15% | 18.78% | 17.21% | 7.09%  |       |       |
| 26                      | 15.68% | 21.78% | 22.49% | 18.89% | 17.29% |        |       |       |
| 27                      | 18.93% | 23.12% | 22.58% | 17.98% | 18.37% |        |       |       |
| 28                      | 18.74% | 22.46% | 24.92% | 21.52% | 16.90% |        |       |       |
| 29                      | 21.77% | 28.45% | 35.24% | 28.18% | 25.55% |        |       |       |
| 30                      | 29.22% | 29.51% | 35.49% | 25.77% | 22.93% |        |       |       |
| 31                      | 30.85% | 35.53% | 39.12% | 25.81% | 21.61% |        |       |       |
| 32                      | 36.18% | 37.56% | 44.24% | 33.60% | 28.13% |        |       |       |
| 33                      | 46.92% | 45.66% | 50.27% | 39.14% | 31.52% |        |       |       |
| 34                      | 47.94% | 54.78% | 59.35% | 49.90% | 41.05% |        |       |       |
| 35                      | 45.54% | 54.62% | 55.62% | 60.20% | 55.59% |        |       |       |
| 36                      | 5.01%  | 16.76% | 16.81% | 32.39% |        |        |       |       |
| 37                      | 8.86%  | 22.39% | 18.03% | 27.92% |        |        |       |       |
| 38                      |        |        |        | 31.30% |        |        |       |       |
| 38                      |        |        |        | 45.29% |        |        |       |       |
| 40                      |        |        |        | 48.68% |        |        |       |       |
| 41                      |        |        |        | 51.08% |        |        |       |       |

**Total Conditional Sale**

| Cumulative Gross Credit Default: Total Conditional Sale |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|
| Month   | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  |
| 0   | 0.10% | 0.06% | 0.06% | 0.05% | 0.07% | 0.06% | 0.07% |
| 1   | 0.13% | 0.08% | 0.09% | 0.07% | 0.07% | 0.08% | 0.10% |
| 2   | 0.20% | 0.10% | 0.11% | 0.09% | 0.10% | 0.10% | 0.11% |
| 3   | 0.22% | 0.14% | 0.13% | 0.14% | 0.11% | 0.12% | 0.20% |
| 4   | 0.28% | 0.17% | 0.16% | 0.15% | 0.12% | 0.17% |       |
| 5   | 0.34% | 0.20% | 0.18% | 0.18% | 0.13% | 0.22% |       |
| 6   | 0.39% | 0.23% | 0.20% | 0.21% | 0.15% | 0.27% |       |
| 7   | 0.44% | 0.27% | 0.23% | 0.23% | 0.18% | 0.30% |       |
| 8   | 0.50% | 0.30% | 0.26% | 0.25% | 0.22% | 0.36% |       |
| 9   | 0.58% | 0.34% | 0.30% | 0.31% | 0.26% | 0.41% |       |
| 10  | 0.65% | 0.37% | 0.34% | 0.35% | 0.29% | 0.47% |       |
| 11  | 0.72% | 0.41% | 0.37% | 0.36% | 0.31% | 0.52% |       |
| 12  | 0.78% | 0.46% | 0.40% | 0.38% | 0.37% | 0.58% |       |
| 13  | 0.84% | 0.50% | 0.43% | 0.40% | 0.38% | 0.61% |       |
| 14  | 0.87% | 0.53% | 0.46% | 0.42% | 0.41% | 0.66% |       |
| 15  | 0.92% | 0.57% | 0.50% | 0.44% | 0.43% | 0.72% |       |
| 16  | 0.94% | 0.59% | 0.52% | 0.47% | 0.47% |       |       |
| 17  | 0.98% | 0.62% | 0.55% | 0.47% | 0.48% |       |       |
| 18  | 1.02% | 0.64% | 0.57% | 0.49% | 0.51% |       |       |
| 19  | 1.07% | 0.67% | 0.58% | 0.50% | 0.54% |       |       |
| 20  | 1.11% | 0.70% | 0.59% | 0.52% | 0.57% |       |       |
| 21  | 1.14% | 0.73% | 0.62% | 0.53% | 0.58% |       |       |
| 22  | 1.16% | 0.77% | 0.63% | 0.54% | 0.59% |       |       |
| 23  | 1.20% | 0.78% | 0.64% | 0.55% | 0.62% |       |       |
| 24  | 1.22% | 0.79% | 0.65% | 0.57% | 0.63% |       |       |
| 25  | 1.25% | 0.81% | 0.66% | 0.58% | 0.64% |       |       |
| 26  | 1.28% | 0.82% | 0.67% | 0.58% | 0.65% |       |       |
| 27  | 1.30% | 0.83% | 0.68% | 0.59% | 0.67% |       |       |
| 28  | 1.32% | 0.85% | 0.69% | 0.61% |       |       |       |
| 29  | 1.35% | 0.86% | 0.69% | 0.61% |       |       |       |
| 30  | 1.38% | 0.87% | 0.70% | 0.63% |       |       |       |
| 31  | 1.39% | 0.88% | 0.71% | 0.64% |       |       |       |
| 32  | 1.41% | 0.88% | 0.72% | 0.66% |       |       |       |
| 33  | 1.42% | 0.90% | 0.73% | 0.67% |       |       |       |
| 34  | 1.44% | 0.91% | 0.73% | 0.68% |       |       |       |
| 35  | 1.45% | 0.91% | 0.74% | 0.68% |       |       |       |
| 36  | 1.45% | 0.92% | 0.75% | 0.69% |       |       |       |
| 37  | 1.46% | 0.93% | 0.76% | 0.70% |       |       |       |
| 38  | 1.46% | 0.94% | 0.76% | 0.71% |       |       |       |
| 39  | 1.47% | 0.95% | 0.77% | 0.72% |       |       |       |
| 40  | 1.47% | 0.95% | 0.78% |       |       |       |       |
| 41  | 1.48% | 0.96% | 0.78% |       |       |       |       |
| 42  | 1.49% | 0.96% | 0.79% |       |       |       |       |
| 43  | 1.49% | 0.96% | 0.79% |       |       |       |       |
| 44  | 1.49% | 0.97% | 0.80% |       |       |       |       |
| 45  | 1.50% | 0.97% | 0.81% |       |       |       |       |
| 46  | 1.50% | 0.97% | 0.81% |       |       |       |       |
| 47  | 1.50% | 0.97% | 0.82% |       |       |       |       |

| Cumulative Gross Credit Default: Total Conditional Sale |       |       |       |  |  |  |  |
|---|-------|-------|-------|--|--|--|--|
| 48  | 1.50% | 0.98% | 0.82% |  |  |  |  |
| 49  | 1.51% | 0.98% | 0.82% |  |  |  |  |
| 50  | 1.51% | 0.98% | 0.83% |  |  |  |  |
| 51  | 1.52% | 0.99% | 0.83% |  |  |  |  |
| 52  | 1.52% | 0.99% |       |  |  |  |  |
| 53  | 1.52% | 0.99% |       |  |  |  |  |
| 54  | 1.52% | 0.99% |       |  |  |  |  |
| 55  | 1.52% | 0.99% |       |  |  |  |  |
| 56  | 1.53% | 0.99% |       |  |  |  |  |
| 57  | 1.53% | 0.99% |       |  |  |  |  |
| 58  | 1.53% | 1.00% |       |  |  |  |  |
| 59  | 1.53% | 1.00% |       |  |  |  |  |
| 60  | 1.53% | 1.00% |       |  |  |  |  |

| Cumulative Recovery from Credit Default: Total Conditional Sale |        |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|
| Year of Default   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   |
| Initial   | 44.55% | 37.05% | 41.35% | 42.11% | 54.42% | 43.76% | 37.97% |
| 0   | 46.76% | 38.19% | 43.31% | 43.47% | 56.32% | 46.08% | 40.76% |
| 1   | 49.56% | 40.93% | 46.39% | 45.90% | 59.93% | 50.46% |        |
| 2   | 51.42% | 42.21% | 48.20% | 47.53% | 62.37% |        |        |
| 3   | 52.49% | 43.16% | 49.44% | 49.13% |        |        |        |
| 4   | 53.24% | 44.19% | 50.55% |        |        |        |        |
| 5   | 53.68% | 45.01% |        |        |        |        |        |

| Vintage Delinquency (Greater than 30 days delinquent) : Total Conditional Sale |       |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|-------|
| Month  | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  |
| 0  | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 1  | 0.31% | 0.34% | 0.23% | 0.21% | 0.16% | 0.12% | 0.39% | 0.68% |
| 2  | 0.22% | 0.18% | 0.12% | 0.11% | 0.09% | 0.15% | 0.48% | 0.92% |
| 3  | 0.35% | 0.22% | 0.16% | 0.15% | 0.13% | 0.26% | 0.67% |       |
| 4  | 0.43% | 0.28% | 0.23% | 0.20% | 0.20% | 0.35% | 0.79% |       |
| 5  | 0.54% | 0.31% | 0.30% | 0.25% | 0.27% | 0.52% | 1.10% |       |
| 6  | 0.58% | 0.37% | 0.33% | 0.27% | 0.35% | 0.54% | 1.22% |       |
| 7  | 0.63% | 0.49% | 0.37% | 0.29% | 0.39% | 0.66% | 1.43% |       |
| 8  | 0.70% | 0.50% | 0.37% | 0.34% | 0.43% | 0.71% | 1.60% |       |
| 9  | 0.75% | 0.53% | 0.40% | 0.40% | 0.46% | 0.83% | 1.69% |       |
| 10   | 0.83% | 0.53% | 0.41% | 0.40% | 0.52% | 0.92% | 1.61% |       |
| 11   | 0.87% | 0.58% | 0.45% | 0.42% | 0.57% | 1.06% | 1.87% |       |
| 12   | 0.89% | 0.60% | 0.51% | 0.43% | 0.65% | 1.24% | 1.80% |       |
| 13   | 0.98% | 0.67% | 0.52% | 0.38% | 0.71% | 1.32% |       |       |
| 14   | 1.05% | 0.71% | 0.51% | 0.40% | 0.76% | 1.50% |       |       |
| 15   | 1.01% | 0.73% | 0.52% | 0.44% | 0.81% | 1.59% |       |       |
| 16   | 1.01% | 0.75% | 0.54% | 0.49% | 0.86% | 1.65% |       |       |
| 17   | 0.98% | 0.74% | 0.51% | 0.50% | 0.95% | 1.78% |       |       |
| 18   | 0.98% | 0.75% | 0.61% | 0.51% | 0.92% | 1.74% |       |       |
| 19   | 1.07% | 0.82% | 0.61% | 0.52% | 0.95% | 2.01% |       |       |
| 20   | 1.10% | 0.88% | 0.66% | 0.60% | 1.01% | 2.04% |       |       |
| 21   | 1.21% | 0.78% | 0.64% | 0.67% | 1.06% | 2.03% |       |       |
| 22   | 1.25% | 0.95% | 0.68% | 0.70% | 1.26% | 2.19% |       |       |
| 23   | 1.24% | 0.89% | 0.72% | 0.80% | 1.34% | 2.10% |       |       |
| 24   | 1.27% | 0.97% | 0.82% | 0.88% | 1.53% |       |       |       |
| 25   | 1.41% | 1.04% | 0.80% | 0.97% | 1.69% |       |       |       |

| Vintage Delinquency (Greater than 30 days delinquent) : Total Conditional Sale |       |       |       |       |       |  |  |  |
|--|-------|-------|-------|-------|-------|--|--|--|
| 26   | 1.45% | 1.06% | 0.86% | 1.04% | 1.92% |  |  |  |
| 27   | 1.64% | 1.13% | 0.91% | 1.08% | 1.98% |  |  |  |
| 28   | 1.69% | 1.28% | 1.00% | 1.17% | 2.13% |  |  |  |
| 29   | 1.73% | 1.40% | 1.06% | 1.30% | 2.31% |  |  |  |
| 30   | 1.96% | 1.44% | 1.11% | 1.38% | 2.62% |  |  |  |
| 31   | 2.08% | 1.56% | 1.25% | 1.41% | 2.83% |  |  |  |
| 32   | 2.05% | 1.56% | 1.34% | 1.59% | 3.15% |  |  |  |
| 33   | 2.33% | 1.62% | 1.47% | 1.63% | 3.15% |  |  |  |
| 34   | 2.55% | 1.85% | 1.56% | 1.80% |       |  |  |  |
| 35   | 2.89% | 1.92% | 1.71% | 1.83% |       |  |  |  |
| 36   |       | 2.10% | 1.71% | 1.93% |       |  |  |  |
| 37   |       | 2.23% | 1.76% | 2.00% |       |  |  |  |
| 38   |       |       | 1.89% | 2.02% |       |  |  |  |
| 39   |       |       | 2.05% | 2.14% |       |  |  |  |
| 40   |       |       | 2.10% | 2.36% |       |  |  |  |

| Periodic ABS: Total Conditional Sale |       |       |       |       |       |       |       |       |
|--------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Month                                | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  |
| 1                                    | 0.49% | 0.54% | 0.46% | 0.54% | 0.66% | 0.67% | 0.89% | 0.16% |
| 2                                    | 0.64% | 0.63% | 0.50% | 0.54% | 0.63% | 0.77% | 0.75% |       |
| 3                                    | 0.59% | 0.66% | 0.52% | 0.59% | 0.66% | 0.83% | 0.82% |       |
| 4                                    | 0.65% | 0.79% | 0.57% | 0.56% | 0.74% | 0.78% | 0.70% |       |
| 5                                    | 0.67% | 0.73% | 0.65% | 0.63% | 0.71% | 0.80% | 0.68% |       |
| 6                                    | 0.60% | 0.64% | 0.63% | 0.64% | 0.82% | 0.83% | 0.80% |       |
| 7                                    | 0.66% | 0.71% | 0.72% | 0.66% | 0.75% | 0.75% | 0.71% |       |
| 8                                    | 0.65% | 0.70% | 0.70% | 0.70% | 0.91% | 0.84% | 0.64% |       |
| 9                                    | 0.78% | 0.87% | 0.82% | 0.78% | 0.93% | 0.98% | 0.75% |       |
| 10                                   | 0.83% | 0.92% | 0.88% | 0.89% | 1.18% | 1.05% | 0.74% |       |
| 11                                   | 0.74% | 0.86% | 0.79% | 0.75% | 0.99% | 0.98% | 0.65% |       |
| 12                                   | 0.64% | 0.82% | 0.78% | 0.74% | 0.99% | 0.99% | 0.50% |       |
| 13                                   | 0.68% | 0.83% | 0.76% | 0.80% | 0.95% | 1.02% | 0.32% |       |
| 14                                   | 0.72% | 0.91% | 0.82% | 0.81% | 0.96% | 0.97% |       |       |
| 15                                   | 0.76% | 0.92% | 0.87% | 0.81% | 1.12% | 0.95% |       |       |
| 16                                   | 0.78% | 0.96% | 0.88% | 0.84% | 1.13% | 0.98% |       |       |
| 17                                   | 0.76% | 0.95% | 0.93% | 0.87% | 1.09% | 0.92% |       |       |
| 18                                   | 0.70% | 1.01% | 0.82% | 0.98% | 1.08% | 0.81% |       |       |
| 19                                   | 0.69% | 1.01% | 0.92% | 0.94% | 1.12% | 0.91% |       |       |
| 20                                   | 0.80% | 1.04% | 0.98% | 1.06% | 1.14% | 0.85% |       |       |
| 21                                   | 0.95% | 1.15% | 1.09% | 1.18% | 1.24% | 0.96% |       |       |
| 22                                   | 0.98% | 1.16% | 1.09% | 1.27% | 1.25% | 1.04% |       |       |
| 23                                   | 0.93% | 1.12% | 1.00% | 1.20% | 1.26% | 0.89% |       |       |
| 24                                   | 0.88% | 1.00% | 0.96% | 1.10% | 1.07% | 0.76% |       |       |
| 25                                   | 0.86% | 1.05% | 1.02% | 1.08% | 1.20% |       |       |       |
| 26                                   | 0.92% | 1.08% | 0.96% | 1.12% | 1.23% |       |       |       |
| 27                                   | 0.92% | 1.11% | 0.99% | 1.11% | 1.17% |       |       |       |
| 28                                   | 0.92% | 1.09% | 1.04% | 1.12% | 1.21% |       |       |       |
| 29                                   | 0.90% | 1.09% | 1.05% | 1.06% | 1.15% |       |       |       |
| 30                                   | 0.91% | 1.15% | 1.03% | 1.21% | 1.17% |       |       |       |
| 31                                   | 0.97% | 1.11% | 1.12% | 1.26% | 1.07% |       |       |       |
| 32                                   | 0.99% | 0.98% | 1.21% | 1.30% | 1.04% |       |       |       |
| 33                                   | 1.04% | 1.19% | 1.21% | 1.38% | 1.02% |       |       |       |
| 34                                   | 1.03% | 1.24% | 1.32% | 1.50% | 1.03% |       |       |       |

| Periodic ABS: Total Conditional Sale |       |       |       |       |  |  |  |  |
|--------------------------------------|-------|-------|-------|-------|--|--|--|--|
| 35                                   | 0.95% | 1.02% | 1.14% | 1.29% |  |  |  |  |
| 36                                   | 0.85% | 0.87% | 1.06% | 1.21% |  |  |  |  |
| 37                                   |       | 1.04% | 1.10% | 1.21% |  |  |  |  |
| 38                                   |       | 1.06% | 1.06% | 1.24% |  |  |  |  |
| 39                                   |       |       | 1.05% | 1.22% |  |  |  |  |
| 40                                   |       |       | 1.06% | 1.21% |  |  |  |  |
| 41                                   |       |       | 1.05% | 1.12% |  |  |  |  |

| Periodic CPR: Total Conditional Sale |        |        |        |        |        |        |        |       |
|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|-------|
| Month                                | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017  |
| 1                                    | 5.70%  | 6.26%  | 5.41%  | 6.29%  | 7.64%  | 7.73%  | 10.17% | 1.90% |
| 2                                    | 7.43%  | 7.36%  | 5.90%  | 6.29%  | 7.39%  | 8.96%  | 8.75%  |       |
| 3                                    | 6.93%  | 7.74%  | 6.08%  | 6.90%  | 7.79%  | 9.64%  | 9.61%  |       |
| 4                                    | 7.62%  | 9.32%  | 6.69%  | 6.66%  | 8.75%  | 9.17%  | 8.26%  |       |
| 5                                    | 7.93%  | 8.65%  | 7.70%  | 7.48%  | 8.47%  | 9.46%  | 8.04%  |       |
| 6                                    | 7.14%  | 7.63%  | 7.49%  | 7.64%  | 9.80%  | 9.88%  | 9.51%  |       |
| 7                                    | 7.97%  | 8.53%  | 8.62%  | 7.98%  | 9.02%  | 9.02%  | 8.49%  |       |
| 8                                    | 7.92%  | 8.50%  | 8.45%  | 8.46%  | 11.02% | 10.19% | 7.76%  |       |
| 9                                    | 9.50%  | 10.62% | 10.02% | 9.56%  | 11.47% | 12.00% | 9.18%  |       |
| 10                                   | 10.26% | 11.40% | 10.94% | 11.06% | 14.69% | 13.06% | 9.15%  |       |
| 11                                   | 9.20%  | 10.70% | 9.86%  | 9.25%  | 12.36% | 12.32% | 8.06%  |       |
| 12                                   | 7.94%  | 10.31% | 9.76%  | 9.22%  | 12.56% | 12.49% | 6.19%  |       |
| 13                                   | 8.59%  | 10.56% | 9.60%  | 10.15% | 12.14% | 13.06% | 3.93%  |       |
| 14                                   | 9.17%  | 11.72% | 10.44% | 10.28% | 12.44% | 12.51% |        |       |
| 15                                   | 9.68%  | 11.97% | 11.21% | 10.40% | 14.83% | 12.37% |        |       |
| 16                                   | 10.05% | 12.60% | 11.49% | 11.01% | 15.20% | 12.98% |        |       |
| 17                                   | 9.95%  | 12.58% | 12.33% | 11.47% | 14.78% | 12.13% |        |       |
| 18                                   | 9.06%  | 13.64% | 10.91% | 13.18% | 14.77% | 10.72% |        |       |
| 19                                   | 9.04%  | 13.87% | 12.45% | 12.72% | 15.55% | 12.31% |        |       |
| 20                                   | 10.75% | 14.50% | 13.59% | 14.89% | 16.16% | 11.44% |        |       |
| 21                                   | 13.21% | 16.56% | 15.46% | 16.98% | 18.06% | 13.41% |        |       |
| 22                                   | 13.80% | 16.91% | 15.76% | 18.87% | 18.48% | 14.77% |        |       |
| 23                                   | 13.12% | 16.40% | 14.31% | 17.98% | 18.96% | 12.57% |        |       |
| 24                                   | 12.53% | 14.60% | 13.77% | 16.35% | 15.83% | 10.51% |        |       |
| 25                                   | 12.25% | 15.68% | 15.02% | 16.22% | 18.44% |        |        |       |
| 26                                   | 13.46% | 16.47% | 14.08% | 17.11% | 19.41% |        |        |       |
| 27                                   | 13.54% | 17.20% | 14.90% | 17.18% | 18.48% |        |        |       |
| 28                                   | 13.68% | 17.02% | 15.96% | 17.68% | 19.64% |        |        |       |
| 29                                   | 13.44% | 17.35% | 16.41% | 16.71% | 18.51% |        |        |       |
| 30                                   | 13.92% | 18.82% | 16.36% | 20.11% | 19.26% |        |        |       |
| 31                                   | 15.22% | 18.33% | 18.46% | 21.76% | 17.35% |        |        |       |
| 32                                   | 15.84% | 15.74% | 21.03% | 23.28% | 16.96% |        |        |       |
| 33                                   | 17.07% | 20.80% | 21.38% | 26.07% | 16.71% |        |        |       |
| 34                                   | 17.30% | 22.61% | 24.59% | 30.41% | 17.18% |        |        |       |
| 35                                   | 15.69% | 17.29% | 20.07% | 24.32% |        |        |        |       |
| 36                                   | 13.64% | 14.03% | 18.42% | 22.58% |        |        |        |       |
| 37                                   |        | 18.31% | 19.73% | 22.79% |        |        |        |       |
| 38                                   |        | 18.93% | 19.10% | 24.21% |        |        |        |       |
| 39                                   |        |        | 19.14% | 24.09% |        |        |        |       |
| 40                                   |        |        | 19.67% | 24.15% |        |        |        |       |
| 41                                   |        |        | 19.83% | 21.91% |        |        |        |       |

New PCP

| Cumulative Gross Credit Default: New PCP |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|
| Month                                    | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  |
| 0  | 0.01% | 0.01% | 0.01% | 0.01% | 0.05% | 0.00% | 0.03% |
| 1  | 0.01% | 0.02% | 0.02% | 0.01% | 0.06% | 0.00% | 0.03% |
| 2  | 0.02% | 0.02% | 0.03% | 0.02% | 0.07% | 0.00% | 0.03% |
| 3  | 0.03% | 0.02% | 0.04% | 0.02% | 0.08% | 0.00% | 0.03% |
| 4  | 0.04% | 0.02% | 0.04% | 0.02% | 0.09% | 0.02% |       |
| 5  | 0.05% | 0.02% | 0.05% | 0.03% | 0.09% | 0.02% |       |
| 6  | 0.05% | 0.02% | 0.06% | 0.03% | 0.10% | 0.03% |       |
| 7  | 0.07% | 0.03% | 0.06% | 0.04% | 0.11% | 0.03% |       |
| 8  | 0.08% | 0.03% | 0.07% | 0.04% | 0.13% | 0.04% |       |
| 9  | 0.11% | 0.04% | 0.08% | 0.05% | 0.14% | 0.05% |       |
| 10                                       | 0.14% | 0.04% | 0.09% | 0.06% | 0.15% | 0.07% |       |
| 11                                       | 0.16% | 0.04% | 0.09% | 0.07% | 0.16% | 0.08% |       |
| 12                                       | 0.18% | 0.04% | 0.09% | 0.07% | 0.16% | 0.08% |       |
| 13                                       | 0.19% | 0.05% | 0.10% | 0.08% | 0.16% | 0.10% |       |
| 14                                       | 0.21% | 0.07% | 0.10% | 0.08% | 0.17% | 0.12% |       |
| 15                                       | 0.22% | 0.07% | 0.11% | 0.08% | 0.18% | 0.12% |       |
| 16                                       | 0.24% | 0.07% | 0.11% | 0.08% | 0.20% |       |       |
| 17                                       | 0.25% | 0.07% | 0.12% | 0.09% | 0.22% |       |       |
| 18                                       | 0.26% | 0.09% | 0.12% | 0.09% | 0.23% |       |       |
| 19                                       | 0.27% | 0.09% | 0.12% | 0.10% | 0.23% |       |       |
| 20                                       | 0.27% | 0.10% | 0.15% | 0.11% | 0.23% |       |       |
| 21                                       | 0.28% | 0.10% | 0.15% | 0.11% | 0.24% |       |       |
| 22                                       | 0.29% | 0.10% | 0.15% | 0.11% | 0.24% |       |       |
| 23                                       | 0.30% | 0.10% | 0.16% | 0.12% | 0.24% |       |       |
| 24                                       | 0.31% | 0.10% | 0.16% | 0.12% | 0.24% |       |       |
| 25                                       | 0.32% | 0.12% | 0.18% | 0.12% | 0.26% |       |       |
| 26                                       | 0.32% | 0.12% | 0.19% | 0.12% | 0.27% |       |       |
| 27                                       | 0.32% | 0.12% | 0.19% | 0.13% | 0.27% |       |       |
| 28                                       | 0.33% | 0.14% | 0.19% | 0.13% |       |       |       |
| 29                                       | 0.33% | 0.15% | 0.21% | 0.14% |       |       |       |
| 30                                       | 0.34% | 0.15% | 0.22% | 0.15% |       |       |       |
| 31                                       | 0.36% | 0.15% | 0.24% | 0.18% |       |       |       |
| 32                                       | 0.38% | 0.16% | 0.24% | 0.20% |       |       |       |
| 33                                       | 0.39% | 0.16% | 0.25% | 0.21% |       |       |       |
| 34                                       | 0.40% | 0.17% | 0.26% | 0.22% |       |       |       |
| 35                                       | 0.41% | 0.17% | 0.27% | 0.27% |       |       |       |
| 36                                       | 0.42% | 0.18% | 0.28% | 0.28% |       |       |       |
| 37                                       | 0.42% | 0.20% | 0.29% | 0.30% |       |       |       |
| 38                                       | 0.42% | 0.21% | 0.29% | 0.33% |       |       |       |
| 39                                       | 0.42% | 0.21% | 0.30% | 0.33% |       |       |       |
| 40                                       | 0.42% | 0.21% | 0.30% |       |       |       |       |
| 41                                       | 0.42% | 0.22% | 0.30% |       |       |       |       |
| 42                                       | 0.42% | 0.22% | 0.30% |       |       |       |       |
| 43                                       | 0.43% | 0.22% | 0.30% |       |       |       |       |
| 44                                       | 0.43% | 0.22% | 0.31% |       |       |       |       |
| 45                                       | 0.43% | 0.23% | 0.31% |       |       |       |       |
| 46                                       | 0.43% | 0.23% | 0.31% |       |       |       |       |
| 47                                       | 0.43% | 0.23% | 0.31% |       |       |       |       |



| Cumulative Gross Credit Default: New PCP |       |       |       |  |  |  |  |
|--|-------|-------|-------|--|--|--|--|
| 48                                       | 0.43% | 0.23% | 0.31% |  |  |  |  |
| 49                                       | 0.43% | 0.23% | 0.31% |  |  |  |  |
| 50                                       | 0.43% | 0.23% | 0.31% |  |  |  |  |
| 51                                       | 0.43% | 0.23% | 0.31% |  |  |  |  |
| 52                                       | 0.43% | 0.23% |       |  |  |  |  |
| 53                                       | 0.43% | 0.23% |       |  |  |  |  |
| 54                                       | 0.43% | 0.23% |       |  |  |  |  |
| 55                                       | 0.43% | 0.23% |       |  |  |  |  |
| 56                                       | 0.43% | 0.23% |       |  |  |  |  |
| 57                                       | 0.43% | 0.23% |       |  |  |  |  |
| 58                                       | 0.43% | 0.23% |       |  |  |  |  |
| 59                                       | 0.43% | 0.23% |       |  |  |  |  |
| 60                                       | 0.43% | 0.23% |       |  |  |  |  |

| Cumulative Recovery from Credit Default: New PCP |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Year of Default                                  | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   |
| <b>Initial</b>                                   | 46.54% | 51.17% | 54.97% | 59.11% | 64.22% | 69.20% | 58.62% |
| 0  | 46.54% | 52.55% | 55.27% | 61.49% | 64.39% | 70.10% | 60.16% |
| 1  | 46.96% | 56.07% | 58.29% | 62.87% | 66.87% | 71.72% |        |
| 2  | 47.42% | 57.31% | 59.60% | 63.36% | 68.55% |        |        |
| 3  | 47.88% | 58.92% | 60.64% | 64.25% |        |        |        |
| 4  | 48.19% | 59.60% | 60.94% |        |        |        |        |
| 5  | 48.23% | 60.89% |        |        |        |        |        |

| Vintage Delinquency (Greater than 30 days delinquent) : New PCP |       |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|-------|
| Month   | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  |
| 0   | 0.01% | 0.00% | 0.01% | 0.01% | 0.01% | 0.00% | 0.02% | 0.00% |
| 1   | 0.49% | 0.48% | 0.46% | 0.20% | 0.25% | 0.23% | 0.29% | 0.36% |
| 2   | 0.49% | 0.39% | 0.36% | 0.16% | 0.20% | 0.29% | 0.18% | 0.00% |
| 3   | 0.43% | 0.26% | 0.30% | 0.21% | 0.26% | 0.21% | 0.25% |       |
| 4   | 0.45% | 0.22% | 0.34% | 0.20% | 0.31% | 0.15% | 0.26% |       |
| 5   | 0.63% | 0.37% | 0.33% | 0.20% | 0.22% | 0.30% | 0.31% |       |
| 6   | 0.60% | 0.31% | 0.40% | 0.31% | 0.20% | 0.34% | 0.30% |       |
| 7   | 0.56% | 0.32% | 0.47% | 0.22% | 0.25% | 0.24% | 0.34% |       |
| 8   | 0.58% | 0.39% | 0.27% | 0.24% | 0.20% | 0.30% | 0.36% |       |
| 9   | 0.60% | 0.42% | 0.30% | 0.27% | 0.24% | 0.33% | 0.28% |       |
| 10  | 0.59% | 0.45% | 0.32% | 0.15% | 0.31% | 0.30% | 0.39% |       |
| 11  | 0.66% | 0.46% | 0.43% | 0.24% | 0.32% | 0.34% | 0.35% |       |
| 12  | 0.65% | 0.41% | 0.46% | 0.32% | 0.28% | 0.39% | 0.30% |       |
| 13  | 0.56% | 0.42% | 0.47% | 0.33% | 0.28% | 0.38% |       |       |
| 14  | 0.75% | 0.44% | 0.48% | 0.28% | 0.30% | 0.37% |       |       |
| 15  | 0.64% | 0.52% | 0.39% | 0.23% | 0.34% | 0.41% |       |       |
| 16  | 0.67% | 0.45% | 0.44% | 0.28% | 0.35% | 0.39% |       |       |
| 17  | 0.72% | 0.46% | 0.44% | 0.35% | 0.34% | 0.38% |       |       |
| 18  | 0.71% | 0.44% | 0.47% | 0.32% | 0.31% | 0.48% |       |       |
| 19  | 0.70% | 0.47% | 0.51% | 0.35% | 0.31% | 0.46% |       |       |
| 20  | 0.61% | 0.53% | 0.30% | 0.38% | 0.31% | 0.47% |       |       |
| 21  | 0.65% | 0.66% | 0.44% | 0.37% | 0.26% | 0.44% |       |       |
| 22  | 0.78% | 0.44% | 0.54% | 0.33% | 0.26% | 0.40% |       |       |
| 23  | 0.77% | 0.45% | 0.49% | 0.33% | 0.23% | 0.33% |       |       |
| 24  | 0.74% | 0.68% | 0.61% | 0.36% | 0.26% | 0.39% |       |       |
| 25  | 1.19% | 0.61% | 0.70% | 0.36% | 0.33% |       |       |       |

|    |       |       |       |       |       |  |  |  |
|----|-------|-------|-------|-------|-------|--|--|--|
| 26 | 0.97% | 0.70% | 0.59% | 0.42% | 0.33% |  |  |  |
| 27 | 0.97% | 0.59% | 0.74% | 0.41% | 0.42% |  |  |  |
| 28 | 0.95% | 0.53% | 0.70% | 0.37% | 0.44% |  |  |  |
| 29 | 1.02% | 0.65% | 0.67% | 0.41% | 0.35% |  |  |  |
| 30 | 0.94% | 0.56% | 0.72% | 0.40% | 0.46% |  |  |  |
| 31 | 0.88% | 0.71% | 0.77% | 0.38% | 0.58% |  |  |  |
| 32 | 0.89% | 0.65% | 0.78% | 0.42% | 0.70% |  |  |  |
| 33 | 1.04% | 0.70% | 0.88% | 0.67% | 0.58% |  |  |  |
| 34 | 0.91% | 0.83% | 0.77% | 0.59% | 0.54% |  |  |  |
| 35 | 1.05% | 0.77% | 1.03% | 0.70% |       |  |  |  |
| 36 | 0.25% | 0.33% | 0.58% | 0.74% |       |  |  |  |
| 37 |       |       |       | 1.99% |       |  |  |  |
| 38 |       |       |       | 1.41% |       |  |  |  |
| 39 |       |       |       | 1.00% |       |  |  |  |
| 40 |       |       |       | 0.84% |       |  |  |  |

| Periodic ABS: New PCP |       |       |       |       |       |       |       |       |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Year of Default       | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  |
| 1                     | 0.29% | 0.51% | 0.54% | 0.38% | 0.31% | 0.40% | 0.69% | 0.15% |
| 2                     | 0.29% | 0.46% | 0.46% | 0.24% | 0.29% | 0.30% | 0.64% | 0.41% |
| 3                     | 0.26% | 0.60% | 0.37% | 0.22% | 0.39% | 0.38% | 0.56% |       |
| 4                     | 0.25% | 0.35% | 0.29% | 0.22% | 0.20% | 0.29% | 0.37% |       |
| 5                     | 0.26% | 0.33% | 0.29% | 0.28% | 0.29% | 0.27% | 0.33% |       |
| 6                     | 0.22% | 0.37% | 0.23% | 0.24% | 0.25% | 0.29% | 0.40% |       |
| 7                     | 0.32% | 0.44% | 0.33% | 0.31% | 0.25% | 0.27% | 0.36% |       |
| 8                     | 0.25% | 0.30% | 0.37% | 0.20% | 0.23% | 0.29% | 0.26% |       |
| 9                     | 0.38% | 0.43% | 0.53% | 0.36% | 0.31% | 0.30% | 0.36% |       |
| 10                    | 0.40% | 0.53% | 0.51% | 0.41% | 0.34% | 0.44% | 0.38% |       |
| 11                    | 0.68% | 0.71% | 0.77% | 0.64% | 0.54% | 0.61% | 0.68% |       |
| 12                    | 0.49% | 0.53% | 0.66% | 0.42% | 0.44% | 0.52% | 0.36% |       |
| 13                    | 0.40% | 0.48% | 0.58% | 0.47% | 0.38% | 0.43% | 0.11% |       |
| 14                    | 0.39% | 0.62% | 0.56% | 0.40% | 0.39% | 0.41% |       |       |
| 15                    | 0.45% | 0.67% | 0.69% | 0.45% | 0.49% | 0.49% |       |       |
| 16                    | 0.51% | 0.74% | 0.84% | 0.60% | 0.45% | 0.48% |       |       |
| 17                    | 0.57% | 0.85% | 0.97% | 0.74% | 0.67% | 0.61% |       |       |
| 18                    | 0.64% | 0.86% | 0.80% | 0.74% | 0.69% | 0.50% |       |       |
| 19                    | 0.76% | 0.94% | 0.73% | 0.69% | 0.71% | 0.60% |       |       |
| 20                    | 0.73% | 0.90% | 1.11% | 0.99% | 0.88% | 0.59% |       |       |
| 21                    | 0.83% | 1.17% | 1.14% | 0.88% | 0.87% | 0.57% |       |       |
| 22                    | 1.13% | 1.36% | 1.31% | 1.31% | 1.05% | 0.62% |       |       |
| 23                    | 1.40% | 1.69% | 1.91% | 1.53% | 1.39% | 1.36% |       |       |
| 24                    | 0.93% | 1.37% | 1.68% | 1.13% | 1.08% | 1.03% |       |       |
| 25                    | 0.94% | 1.35% | 1.51% | 1.11% | 1.07% | 0.44% |       |       |
| 26                    | 1.02% | 1.35% | 1.37% | 1.12% | 1.07% |       |       |       |
| 27                    | 1.16% | 1.37% | 1.36% | 1.08% | 1.07% |       |       |       |
| 28                    | 1.17% | 1.30% | 1.43% | 1.22% | 1.05% |       |       |       |
| 29                    | 1.27% | 1.56% | 1.82% | 1.53% | 1.48% |       |       |       |
| 30                    | 1.60% | 1.52% | 1.77% | 1.37% | 1.29% |       |       |       |
| 31                    | 1.60% | 1.75% | 1.87% | 1.42% | 1.20% |       |       |       |
| 32                    | 1.73% | 1.77% | 1.94% | 1.62% | 1.45% |       |       |       |
| 33                    | 1.96% | 1.93% | 2.04% | 1.76% | 1.57% |       |       |       |
| 34                    | 1.94% | 2.04% | 2.15% | 1.99% | 1.78% |       |       |       |
| 35                    | 1.86% | 2.04% | 2.05% | 2.13% | 2.13% |       |       |       |
| 36                    | 0.28% | 1.00% | 0.97% | 1.55% |       |       |       |       |
| 37                    | 0.60% | 1.23% | 0.98% | 1.34% |       |       |       |       |
| 38                    |       |       |       | 1.45% |       |       |       |       |
| 39                    |       |       |       | 1.72% |       |       |       |       |
| 40                    |       |       |       | 1.79% |       |       |       |       |
| 41                    |       |       |       | 1.77% |       |       |       |       |

| Periodic CPR: New PCP |       |       |       |       |       |       |       |       |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Year of Default       | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  |
| 1                     | 3.37% | 5.98% | 6.32% | 4.43% | 3.70% | 4.71% | 8.01% | 1.80% |
| 2                     | 3.43% | 5.40% | 5.46% | 2.79% | 3.47% | 3.50% | 7.50% | 4.82% |

| Periodic CPR: New PCP |        |        |        |        |        |        |       |  |
|-----------------------|--------|--------|--------|--------|--------|--------|-------|--|
| 3                     | 3.07%  | 7.00%  | 4.43%  | 2.63%  | 4.66%  | 4.48%  | 6.63% |  |
| 4                     | 2.94%  | 4.20%  | 3.42%  | 2.64%  | 2.35%  | 3.43%  | 4.41% |  |
| 5                     | 3.16%  | 3.93%  | 3.48%  | 3.29%  | 3.44%  | 3.27%  | 3.96% |  |
| 6                     | 2.60%  | 4.39%  | 2.73%  | 2.87%  | 3.03%  | 3.53%  | 4.79% |  |
| 7                     | 3.83%  | 5.34%  | 3.98%  | 3.71%  | 2.99%  | 3.23%  | 4.29% |  |
| 8                     | 2.96%  | 3.57%  | 4.47%  | 2.43%  | 2.72%  | 3.48%  | 3.15% |  |
| 9                     | 4.56%  | 5.27%  | 6.46%  | 4.33%  | 3.81%  | 3.62%  | 4.31% |  |
| 10                    | 4.87%  | 6.51%  | 6.21%  | 5.05%  | 4.09%  | 5.39%  | 4.60% |  |
| 11                    | 8.38%  | 8.75%  | 9.55%  | 7.84%  | 6.58%  | 7.51%  | 8.38% |  |
| 12                    | 6.04%  | 6.61%  | 8.17%  | 5.14%  | 5.41%  | 6.47%  | 4.39% |  |
| 13                    | 4.88%  | 5.97%  | 7.19%  | 5.84%  | 4.63%  | 5.30%  | 1.36% |  |
| 14                    | 4.83%  | 7.79%  | 6.96%  | 4.89%  | 4.81%  | 5.03%  |       |  |
| 15                    | 5.65%  | 8.53%  | 8.82%  | 5.61%  | 6.11%  | 6.18%  |       |  |
| 16                    | 6.38%  | 9.52%  | 10.99% | 7.62%  | 5.67%  | 6.07%  |       |  |
| 17                    | 7.33%  | 11.13% | 12.87% | 9.65%  | 8.67%  | 7.75%  |       |  |
| 18                    | 8.28%  | 11.42% | 10.59% | 9.68%  | 8.96%  | 6.34%  |       |  |
| 19                    | 10.14% | 12.82% | 9.66%  | 9.02%  | 9.39%  | 7.74%  |       |  |
| 20                    | 9.67%  | 12.26% | 15.57% | 13.69% | 11.93% | 7.64%  |       |  |
| 21                    | 11.25% | 16.92% | 16.36% | 12.02% | 11.93% | 7.48%  |       |  |
| 22                    | 16.39% | 20.54% | 19.66% | 19.73% | 15.04% | 8.29%  |       |  |
| 23                    | 21.71% | 27.80% | 33.17% | 24.49% | 21.60% | 20.96% |       |  |
| 24                    | 13.27% | 21.61% | 28.40% | 16.89% | 15.93% | 14.96% |       |  |
| 25                    | 13.57% | 21.56% | 25.03% | 16.75% | 15.94% | 5.71%  |       |  |
| 26                    | 15.29% | 21.89% | 22.31% | 17.20% | 16.22% |        |       |  |
| 27                    | 18.21% | 22.67% | 22.55% | 16.57% | 16.45% |        |       |  |
| 28                    | 18.80% | 21.56% | 24.55% | 19.78% | 16.15% |        |       |  |
| 29                    | 21.35% | 28.56% | 36.64% | 27.70% | 26.41% |        |       |  |
| 30                    | 30.42% | 28.09% | 35.90% | 24.14% | 22.20% |        |       |  |
| 31                    | 31.39% | 36.38% | 40.57% | 26.07% | 20.42% |        |       |  |
| 32                    | 36.55% | 38.16% | 45.08% | 32.75% | 27.51% |        |       |  |
| 33                    | 47.91% | 46.24% | 51.42% | 39.11% | 31.98% |        |       |  |
| 34                    | 48.42% | 54.01% | 59.97% | 51.04% | 41.23% |        |       |  |
| 35                    | 46.53% | 55.97% | 56.94% | 61.78% | 61.57% |        |       |  |
| 36                    | 3.70%  | 16.86% | 16.18% | 33.86% |        |        |       |  |
| 37                    | 8.76%  | 23.45% | 16.65% | 27.15% |        |        |       |  |
| 38                    |        |        |        | 31.70% |        |        |       |  |
| 39                    |        |        |        | 45.47% |        |        |       |  |
| 40                    |        |        |        | 51.97% |        |        |       |  |
| 41                    |        |        |        | 52.97% |        |        |       |  |

Used PCP

| Cumulative Gross Credit Default: Used PCP |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|
| Month                                     | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  |
| 0   | 0.00% | 0.06% | 0.01% | 0.05% | 0.01% | 0.00% | 0.03% |
| 1   | 0.02% | 0.06% | 0.01% | 0.05% | 0.04% | 0.02% | 0.04% |
| 2   | 0.05% | 0.06% | 0.03% | 0.08% | 0.07% | 0.03% | 0.07% |
| 3   | 0.05% | 0.06% | 0.03% | 0.09% | 0.11% | 0.06% | 0.07% |
| 4   | 0.05% | 0.06% | 0.03% | 0.09% | 0.11% | 0.07% |       |
| 5   | 0.08% | 0.06% | 0.04% | 0.14% | 0.11% | 0.10% |       |
| 6   | 0.08% | 0.07% | 0.07% | 0.15% | 0.11% | 0.14% |       |
| 7   | 0.08% | 0.07% | 0.16% | 0.15% | 0.14% | 0.16% |       |
| 8   | 0.12% | 0.07% | 0.16% | 0.19% | 0.14% | 0.20% |       |
| 9   | 0.16% | 0.07% | 0.16% | 0.20% | 0.14% | 0.21% |       |
| 10  | 0.16% | 0.08% | 0.16% | 0.22% | 0.14% | 0.23% |       |
| 11  | 0.16% | 0.10% | 0.18% | 0.22% | 0.15% | 0.27% |       |
| 12  | 0.16% | 0.11% | 0.21% | 0.23% | 0.16% | 0.31% |       |
| 13  | 0.18% | 0.12% | 0.23% | 0.27% | 0.16% | 0.33% |       |
| 14  | 0.21% | 0.12% | 0.23% | 0.27% | 0.17% | 0.36% |       |
| 15  | 0.24% | 0.12% | 0.23% | 0.27% | 0.19% | 0.36% |       |
| 16  | 0.26% | 0.13% | 0.23% | 0.27% | 0.22% |       |       |
| 17  | 0.27% | 0.18% | 0.23% | 0.30% | 0.22% |       |       |

| Cumulative Gross Credit Default: Used PCP |       |       |       |       |       |  |  |
|---|-------|-------|-------|-------|-------|--|--|
| 18  | 0.31% | 0.18% | 0.23% | 0.30% | 0.26% |  |  |
| 19  | 0.31% | 0.20% | 0.24% | 0.33% | 0.26% |  |  |
| 20  | 0.38% | 0.20% | 0.25% | 0.33% | 0.26% |  |  |
| 21  | 0.40% | 0.20% | 0.25% | 0.33% | 0.26% |  |  |
| 22  | 0.40% | 0.20% | 0.27% | 0.33% | 0.26% |  |  |
| 23  | 0.40% | 0.20% | 0.28% | 0.33% | 0.26% |  |  |
| 24  | 0.40% | 0.20% | 0.28% | 0.33% | 0.30% |  |  |
| 25  | 0.42% | 0.22% | 0.28% | 0.33% | 0.32% |  |  |
| 26  | 0.47% | 0.24% | 0.28% | 0.33% | 0.34% |  |  |
| 27  | 0.51% | 0.25% | 0.28% | 0.33% | 0.34% |  |  |
| 28  | 0.51% | 0.26% | 0.34% | 0.37% |       |  |  |
| 29  | 0.53% | 0.26% | 0.34% | 0.39% |       |  |  |
| 30  | 0.56% | 0.26% | 0.36% | 0.39% |       |  |  |
| 31  | 0.59% | 0.26% | 0.36% | 0.41% |       |  |  |
| 32  | 0.61% | 0.27% | 0.36% | 0.42% |       |  |  |
| 33  | 0.65% | 0.27% | 0.36% | 0.42% |       |  |  |
| 34  | 0.65% | 0.27% | 0.36% | 0.45% |       |  |  |
| 35  | 0.65% | 0.27% | 0.38% | 0.47% |       |  |  |
| 36  | 0.65% | 0.27% | 0.38% | 0.48% |       |  |  |
| 37  | 0.66% | 0.30% | 0.43% | 0.49% |       |  |  |
| 38  | 0.66% | 0.30% | 0.43% | 0.54% |       |  |  |
| 39  | 0.66% | 0.30% | 0.43% | 0.54% |       |  |  |
| 40  | 0.66% | 0.30% | 0.44% |       |       |  |  |
| 41  | 0.67% | 0.30% | 0.44% |       |       |  |  |
| 42  | 0.67% | 0.30% | 0.44% |       |       |  |  |
| 43  | 0.67% | 0.30% | 0.44% |       |       |  |  |
| 44  | 0.67% | 0.30% | 0.44% |       |       |  |  |
| 45  | 0.67% | 0.31% | 0.44% |       |       |  |  |
| 46  | 0.67% | 0.31% | 0.44% |       |       |  |  |
| 47  | 0.67% | 0.31% | 0.46% |       |       |  |  |
| 48  | 0.67% | 0.33% | 0.46% |       |       |  |  |
| 49  | 0.67% | 0.33% | 0.46% |       |       |  |  |
| 50  | 0.67% | 0.33% | 0.46% |       |       |  |  |
| 51  | 0.67% | 0.33% | 0.46% |       |       |  |  |
| 52  | 0.67% | 0.33% |       |       |       |  |  |
| 53  | 0.67% | 0.33% |       |       |       |  |  |
| 54  | 0.67% | 0.33% |       |       |       |  |  |
| 55  | 0.67% | 0.33% |       |       |       |  |  |
| 56  | 0.67% | 0.33% |       |       |       |  |  |
| 57  | 0.67% | 0.33% |       |       |       |  |  |
| 58  | 0.67% | 0.33% |       |       |       |  |  |
| 59  | 0.67% | 0.33% |       |       |       |  |  |
| 60  | 0.67% | 0.33% |       |       |       |  |  |

| Cumulative Recovery from Credit Default: Used PCP |        |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|
| Year of Default                                   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   |
| <b>Initial</b>                                    | 84.76% | 44.54% | 58.50% | 64.51% | 65.77% | 71.53% | 52.45% |
| 0   | 84.76% | 44.82% | 60.98% | 65.79% | 66.58% | 71.79% | 53.69% |
| 1   | 87.04% | 53.26% | 64.08% | 66.03% | 72.44% | 73.74% |        |
| 2   | 90.18% | 55.62% | 64.60% | 66.76% | 75.97% |        |        |
| 3   | 91.05% | 57.42% | 65.40% | 67.31% |        |        |        |
| 4   | 91.05% | 57.42% | 66.16% |        |        |        |        |

**Cumulative Recovery from Credit Default: Used PCP**

|   |        |        |  |  |  |  |  |  |
|---|--------|--------|--|--|--|--|--|--|
| 5 | 91.05% | 57.42% |  |  |  |  |  |  |
|---|--------|--------|--|--|--|--|--|--|

**Vintage Delinquency (Greater than 30 days delinquent) : Used PCP**

| Month | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 0     | 0.00% | 0.00% | 0.00% | 0.00% | 0.01% | 0.01% | 0.02% | 0.00% |
| 1     | 0.87% | 0.71% | 0.49% | 0.69% | 0.57% | 0.50% | 0.56% | 0.37% |
| 2     | 0.61% | 0.57% | 0.47% | 0.43% | 0.40% | 0.50% | 0.62% | 0.77% |
| 3     | 0.77% | 0.52% | 0.36% | 0.53% | 0.39% | 0.67% | 0.62% |       |
| 4     | 0.69% | 0.40% | 0.45% | 0.50% | 0.33% | 0.60% | 0.75% |       |
| 5     | 0.86% | 0.61% | 0.67% | 0.46% | 0.46% | 0.72% | 0.95% |       |
| 6     | 0.59% | 0.85% | 0.61% | 0.45% | 0.51% | 0.77% | 0.97% |       |
| 7     | 0.92% | 0.74% | 0.68% | 0.49% | 0.57% | 0.84% | 0.81% |       |
| 8     | 0.71% | 0.67% | 0.58% | 0.51% | 0.57% | 0.93% | 0.94% |       |
| 9     | 0.89% | 0.73% | 0.49% | 0.55% | 0.70% | 1.00% | 0.90% |       |
| 10    | 0.95% | 0.91% | 0.83% | 0.73% | 0.79% | 0.99% | 0.98% |       |
| 11    | 0.59% | 0.64% | 0.66% | 0.81% | 0.84% | 1.08% | 0.69% |       |
| 12    | 1.04% | 0.77% | 0.73% | 0.86% | 0.79% | 1.16% | 0.91% |       |
| 13    | 0.86% | 0.82% | 0.84% | 0.62% | 0.54% | 1.16% | 0.99% |       |
| 14    | 0.65% | 0.87% | 0.67% | 0.65% | 0.78% | 1.26% |       |       |
| 15    | 1.28% | 0.49% | 0.69% | 0.64% | 0.74% | 1.33% |       |       |
| 16    | 0.96% | 0.57% | 0.51% | 0.63% | 0.63% | 1.14% |       |       |
| 17    | 0.51% | 0.60% | 0.54% | 0.75% | 0.71% | 1.28% |       |       |
| 18    | 0.90% | 0.75% | 0.61% | 0.59% | 0.95% | 1.01% |       |       |
| 19    | 0.80% | 0.33% | 0.77% | 0.72% | 0.78% | 1.12% |       |       |
| 20    | 0.54% | 0.67% | 0.71% | 0.54% | 1.11% | 1.08% |       |       |
| 21    | 0.62% | 0.60% | 0.66% | 0.41% | 0.98% | 0.95% |       |       |
| 22    | 0.79% | 0.66% | 0.85% | 0.56% | 0.92% | 1.15% |       |       |
| 23    | 1.29% | 0.97% | 0.58% | 0.41% | 0.90% | 1.16% |       |       |
| 24    | 0.97% | 0.61% | 0.59% | 0.49% | 1.06% | 0.94% |       |       |
| 25    | 1.42% | 1.41% | 0.59% | 1.01% | 0.83% |       |       |       |
| 26    | 1.24% | 1.21% | 0.60% | 0.65% | 1.00% |       |       |       |
| 27    | 1.21% | 0.51% | 0.62% | 0.58% | 1.16% |       |       |       |
| 28    | 0.96% | 0.47% | 0.94% | 0.68% | 1.07% |       |       |       |
| 29    | 0.87% | 0.97% | 0.47% | 0.96% | 1.10% |       |       |       |
| 30    | 0.93% | 0.84% | 0.76% | 0.84% | 1.45% |       |       |       |
| 31    | 1.19% | 1.38% | 0.95% | 0.95% | 1.22% |       |       |       |
| 32    | 1.45% | 2.04% | 1.39% | 1.01% | 1.50% |       |       |       |
| 33    | 1.22% | 1.78% | 0.95% | 1.03% | 1.69% |       |       |       |
| 34    | 1.67% | 1.72% | 1.41% | 1.21% | 1.39% |       |       |       |
| 35    | 1.68% | 2.34% | 1.89% | 1.73% |       |       |       |       |
| 36    | 0.20% | 0.72% | 1.25% | 1.21% |       |       |       |       |
| 37    |       |       |       | 4.34% |       |       |       |       |
| 38    |       |       |       | 3.51% |       |       |       |       |
| 39    |       |       |       | 3.11% |       |       |       |       |

**Periodic ABS: Used PCP**

| Month | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 1     | 0.28% | 0.54% | 0.37% | 0.30% | 0.38% | 0.56% | 0.65% | 0.35% |
| 2     | 0.24% | 0.17% | 0.40% | 0.19% | 0.56% | 0.50% | 0.75% | 0.27% |
| 3     | 0.23% | 0.40% | 0.42% | 0.38% | 0.41% | 0.68% | 0.58% |       |
| 4     | 0.34% | 0.18% | 0.30% | 0.58% | 0.76% | 0.55% | 0.46% |       |
| 5     | 0.37% | 0.31% | 0.44% | 0.60% | 0.49% | 0.43% | 0.54% |       |
| 6     | 0.70% | 0.34% | 0.47% | 0.48% | 0.81% | 0.73% | 0.51% |       |
| 7     | 0.55% | 0.67% | 0.54% | 0.78% | 0.63% | 0.82% | 0.65% |       |
| 8     | 0.35% | 0.39% | 0.64% | 0.63% | 0.54% | 0.81% | 0.90% |       |
| 9     | 0.92% | 0.76% | 0.70% | 0.90% | 0.79% | 0.75% | 0.48% |       |
| 10    | 0.26% | 0.59% | 1.03% | 0.87% | 0.83% | 0.81% | 0.68% |       |
| 11    | 0.90% | 0.86% | 0.84% | 1.04% | 0.98% | 0.89% | 0.69% |       |
| 12    | 1.01% | 0.59% | 0.66% | 1.08% | 0.95% | 0.85% | 0.66% |       |
| 13    | 0.41% | 0.41% | 0.91% | 0.89% | 1.00% | 0.70% | 0.76% |       |
| 14    | 0.74% | 0.93% | 0.86% | 0.96% | 0.81% | 0.70% | 0.43% |       |
| 15    | 0.70% | 0.59% | 0.72% | 1.02% | 1.01% | 1.06% |       |       |
| 16    | 0.80% | 0.91% | 1.11% | 1.13% | 0.90% | 0.80% |       |       |
| 17    | 0.89% | 0.71% | 1.09% | 1.13% | 0.98% | 1.06% |       |       |
| 18    | 0.75% | 1.04% | 1.05% | 1.11% | 0.98% | 0.93% |       |       |
| 19    | 0.72% | 1.30% | 1.25% | 1.02% | 1.07% | 0.91% |       |       |
| 20    | 0.74% | 1.14% | 1.16% | 1.21% | 1.12% | 1.02% |       |       |
| 21    | 1.12% | 1.33% | 1.45% | 1.36% | 1.24% | 1.13% |       |       |
| 22    | 0.91% | 1.27% | 1.54% | 1.63% | 1.52% | 0.83% |       |       |

| Periodic ABS: Used PCP |       |       |       |       |       |       |  |
|------------------------|-------|-------|-------|-------|-------|-------|--|
| 23                     | 1.04% | 1.56% | 1.38% | 1.42% | 1.41% | 1.49% |  |
| 24                     | 1.34% | 1.54% | 1.48% | 1.40% | 1.37% | 1.38% |  |
| 25                     | 0.50% | 1.38% | 1.27% | 1.57% | 1.34% | 0.79% |  |
| 26                     | 1.17% | 1.32% | 1.42% | 1.50% | 1.29% |       |  |
| 27                     | 1.40% | 1.48% | 1.37% | 1.40% | 1.44% |       |  |
| 28                     | 1.15% | 1.52% | 1.51% | 1.57% | 1.20% |       |  |
| 29                     | 1.40% | 1.53% | 1.55% | 1.61% | 1.33% |       |  |
| 30                     | 1.24% | 1.78% | 1.70% | 1.65% | 1.42% |       |  |
| 31                     | 1.46% | 1.59% | 1.62% | 1.38% | 1.40% |       |  |
| 32                     | 1.65% | 1.67% | 1.82% | 1.74% | 1.53% |       |  |
| 33                     | 1.79% | 1.85% | 1.89% | 1.77% | 1.51% |       |  |
| 34                     | 1.86% | 2.12% | 2.09% | 1.87% | 1.76% |       |  |
| 35                     | 1.69% | 1.88% | 1.92% | 1.99% | 1.49% |       |  |
| 36                     | 0.82% | 0.97% | 1.10% | 1.33% |       |       |  |
| 37                     | 0.64% | 0.99% | 1.22% | 1.45% |       |       |  |
| 38                     |       |       |       | 1.40% |       |       |  |
| 39                     |       |       |       | 1.70% |       |       |  |
| 40                     |       |       |       | 1.44% |       |       |  |

| Periodic CPR: Used PCP |        |        |        |        |        |        |        |       |
|------------------------|--------|--------|--------|--------|--------|--------|--------|-------|
| Month                  | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017  |
| 1                      | 3.36%  | 6.28%  | 4.32%  | 3.49%  | 4.50%  | 6.51%  | 7.50%  | 4.11% |
| 2                      | 2.89%  | 1.99%  | 4.70%  | 2.26%  | 6.50%  | 5.90%  | 8.68%  | 3.21% |
| 3                      | 2.80%  | 4.69%  | 4.99%  | 4.51%  | 4.87%  | 7.97%  | 6.87%  |       |
| 4                      | 4.06%  | 2.13%  | 3.62%  | 6.84%  | 8.98%  | 6.54%  | 5.51%  |       |
| 5                      | 4.43%  | 3.71%  | 5.22%  | 7.13%  | 5.86%  | 5.10%  | 6.41%  |       |
| 6                      | 8.42%  | 4.02%  | 5.62%  | 5.73%  | 9.72%  | 8.77%  | 6.13%  |       |
| 7                      | 6.58%  | 8.05%  | 6.46%  | 9.42%  | 7.53%  | 9.91%  | 7.84%  |       |
| 8                      | 4.24%  | 4.72%  | 7.75%  | 7.57%  | 6.53%  | 9.78%  | 10.98% |       |
| 9                      | 11.28% | 9.34%  | 8.58%  | 11.04% | 9.61%  | 9.21%  | 5.88%  |       |
| 10                     | 3.16%  | 7.27%  | 12.78% | 10.77% | 10.20% | 10.03% | 8.36%  |       |
| 11                     | 11.19% | 10.78% | 10.51% | 13.10% | 12.35% | 11.16% | 8.57%  |       |
| 12                     | 12.85% | 7.32%  | 8.21%  | 13.73% | 11.98% | 10.69% | 8.17%  |       |
| 13                     | 5.10%  | 5.09%  | 11.58% | 11.37% | 12.77% | 8.79%  | 9.53%  |       |
| 14                     | 9.41%  | 12.02% | 11.08% | 12.39% | 10.38% | 8.86%  | 5.33%  |       |
| 15                     | 8.91%  | 7.43%  | 9.23%  | 13.38% | 13.30% | 14.02% |        |       |
| 16                     | 10.41% | 12.00% | 14.93% | 15.23% | 11.85% | 10.41% |        |       |
| 17                     | 11.83% | 9.25%  | 14.67% | 15.42% | 13.14% | 14.28% |        |       |
| 18                     | 9.80%  | 14.10% | 14.28% | 15.26% | 13.22% | 12.51% |        |       |
| 19                     | 9.45%  | 18.57% | 17.75% | 14.03% | 14.85% | 12.35% |        |       |
| 20                     | 9.81%  | 16.10% | 16.55% | 17.25% | 15.74% | 14.17% |        |       |
| 21                     | 15.97% | 19.64% | 21.92% | 20.18% | 18.00% | 16.12% |        |       |
| 22                     | 12.77% | 18.86% | 24.04% | 26.00% | 23.83% | 11.47% |        |       |
| 23                     | 15.05% | 25.06% | 21.32% | 22.09% | 21.86% | 23.60% |        |       |
| 24                     | 20.91% | 25.18% | 23.82% | 22.10% | 21.55% | 21.80% |        |       |
| 25                     | 6.58%  | 22.06% | 19.80% | 26.33% | 21.33% | 11.08% |        |       |
| 26                     | 18.15% | 21.23% | 23.33% | 25.21% | 20.69% |        |        |       |
| 27                     | 23.38% | 25.32% | 22.69% | 23.33% | 24.37% |        |        |       |
| 28                     | 18.33% | 26.82% | 26.65% | 28.12% | 19.31% |        |        |       |
| 29                     | 24.38% | 27.90% | 28.29% | 30.10% | 22.60% |        |        |       |
| 30                     | 20.88% | 36.29% | 33.54% | 31.98% | 25.34% |        |        |       |
| 31                     | 27.13% | 31.03% | 31.96% | 24.78% | 25.54% |        |        |       |
| 32                     | 33.76% | 34.36% | 40.21% | 36.93% | 29.97% |        |        |       |
| 33                     | 40.08% | 42.62% | 44.68% | 39.26% | 30.01% |        |        |       |
| 34                     | 44.71% | 58.54% | 56.50% | 45.05% | 40.43% |        |        |       |
| 35                     | 38.69% | 47.13% | 49.39% | 53.22% | 30.62% |        |        |       |
| 36                     | 12.88% | 16.21% | 19.43% | 26.19% |        |        |        |       |
| 37                     | 9.45%  | 17.08% | 23.07% | 30.86% |        |        |        |       |
| 38                     |        |        |        | 29.70% |        |        |        |       |
| 39                     |        |        |        | 44.53% |        |        |        |       |
| 40                     |        |        |        | 32.86% |        |        |        |       |

**New Conditional Sale**

| Cumulative Gross Credit Default: New Conditional Sale |      |      |      |      |      |      |      |
|---|------|------|------|------|------|------|------|
| Month   | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |

| Cumulative Gross Credit Default: New Conditional Sale |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|
| 0   | 0.01% | 0.00% | 0.03% | 0.04% | 0.06% | 0.02% | 0.00% |
| 1   | 0.03% | 0.01% | 0.03% | 0.05% | 0.07% | 0.03% | 0.00% |
| 2   | 0.06% | 0.02% | 0.06% | 0.10% | 0.07% | 0.03% | 0.03% |
| 3   | 0.06% | 0.03% | 0.07% | 0.15% | 0.07% | 0.04% | 0.06% |
| 4   | 0.09% | 0.04% | 0.09% | 0.17% | 0.07% | 0.04% |       |
| 5   | 0.13% | 0.08% | 0.10% | 0.19% | 0.07% | 0.08% |       |
| 6   | 0.14% | 0.09% | 0.12% | 0.23% | 0.07% | 0.10% |       |
| 7   | 0.15% | 0.13% | 0.15% | 0.26% | 0.11% | 0.11% |       |
| 8   | 0.17% | 0.14% | 0.17% | 0.27% | 0.12% | 0.15% |       |
| 9   | 0.21% | 0.14% | 0.21% | 0.32% | 0.14% | 0.18% |       |
| 10  | 0.23% | 0.16% | 0.24% | 0.37% | 0.16% | 0.21% |       |
| 11  | 0.23% | 0.18% | 0.27% | 0.39% | 0.18% | 0.23% |       |
| 12  | 0.27% | 0.19% | 0.30% | 0.41% | 0.22% | 0.26% |       |
| 13  | 0.33% | 0.20% | 0.32% | 0.42% | 0.23% | 0.28% |       |
| 14  | 0.34% | 0.23% | 0.36% | 0.43% | 0.27% | 0.31% |       |
| 15  | 0.35% | 0.25% | 0.41% | 0.45% | 0.31% | 0.33% |       |
| 16  | 0.36% | 0.26% | 0.43% | 0.47% | 0.32% |       |       |
| 17  | 0.36% | 0.28% | 0.44% | 0.48% | 0.32% |       |       |
| 18  | 0.38% | 0.31% | 0.46% | 0.49% | 0.38% |       |       |
| 19  | 0.40% | 0.33% | 0.46% | 0.50% | 0.41% |       |       |
| 20  | 0.43% | 0.34% | 0.47% | 0.52% | 0.43% |       |       |
| 21  | 0.45% | 0.37% | 0.49% | 0.54% | 0.44% |       |       |
| 22  | 0.45% | 0.39% | 0.51% | 0.54% | 0.44% |       |       |
| 23  | 0.47% | 0.40% | 0.51% | 0.55% | 0.46% |       |       |
| 24  | 0.48% | 0.40% | 0.52% | 0.56% | 0.47% |       |       |
| 25  | 0.51% | 0.42% | 0.52% | 0.57% | 0.47% |       |       |
| 26  | 0.54% | 0.43% | 0.53% | 0.57% | 0.48% |       |       |
| 27  | 0.56% | 0.43% | 0.54% | 0.59% | 0.48% |       |       |
| 28  | 0.57% | 0.43% | 0.54% | 0.60% |       |       |       |
| 29  | 0.60% | 0.43% | 0.54% | 0.61% |       |       |       |
| 30  | 0.62% | 0.44% | 0.55% | 0.62% |       |       |       |
| 31  | 0.63% | 0.45% | 0.55% | 0.62% |       |       |       |
| 32  | 0.67% | 0.45% | 0.56% | 0.64% |       |       |       |
| 33  | 0.67% | 0.46% | 0.57% | 0.65% |       |       |       |
| 34  | 0.68% | 0.46% | 0.58% | 0.65% |       |       |       |
| 35  | 0.68% | 0.46% | 0.58% | 0.65% |       |       |       |
| 36  | 0.69% | 0.46% | 0.59% | 0.66% |       |       |       |
| 37  | 0.69% | 0.46% | 0.60% | 0.67% |       |       |       |
| 38  | 0.70% | 0.46% | 0.60% | 0.67% |       |       |       |
| 39  | 0.70% | 0.46% | 0.61% | 0.68% |       |       |       |
| 40  | 0.70% | 0.47% | 0.62% |       |       |       |       |
| 41  | 0.70% | 0.47% | 0.62% |       |       |       |       |
| 42  | 0.71% | 0.47% | 0.62% |       |       |       |       |
| 43  | 0.71% | 0.47% | 0.62% |       |       |       |       |
| 44  | 0.71% | 0.47% | 0.63% |       |       |       |       |
| 45  | 0.71% | 0.47% | 0.63% |       |       |       |       |
| 46  | 0.71% | 0.47% | 0.63% |       |       |       |       |
| 47  | 0.71% | 0.47% | 0.63% |       |       |       |       |
| 48  | 0.72% | 0.48% | 0.64% |       |       |       |       |
| 49  | 0.72% | 0.48% | 0.64% |       |       |       |       |
| 50  | 0.72% | 0.48% | 0.64% |       |       |       |       |

| Cumulative Gross Credit Default: New Conditional Sale |       |       |       |  |  |  |  |
|---|-------|-------|-------|--|--|--|--|
| 51  | 0.72% | 0.48% | 0.64% |  |  |  |  |
| 52  | 0.72% | 0.48% |       |  |  |  |  |
| 53  | 0.72% | 0.48% |       |  |  |  |  |
| 54  | 0.72% | 0.48% |       |  |  |  |  |
| 55  | 0.72% | 0.48% |       |  |  |  |  |
| 56  | 0.72% | 0.48% |       |  |  |  |  |
| 57  | 0.72% | 0.48% |       |  |  |  |  |
| 58  | 0.74% | 0.48% |       |  |  |  |  |
| 59  | 0.74% | 0.49% |       |  |  |  |  |
| 60  | 0.74% | 0.49% |       |  |  |  |  |

| Cumulative Recovery from Credit Default: New Conditional Sale |        |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|
| Year of Default   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   |
| Initial   | 43.58% | 47.79% | 51.08% | 46.06% | 54.83% | 45.37% | 37.26% |
| 0   | 46.44% | 48.20% | 53.24% | 48.87% | 57.03% | 48.17% | 39.52% |
| 1   | 47.65% | 50.16% | 55.42% | 51.15% | 60.01% | 55.29% |        |
| 2   | 49.93% | 53.04% | 57.97% | 52.47% | 62.06% |        |        |
| 3   | 50.08% | 54.23% | 59.15% | 53.46% |        |        |        |
| 4   | 50.29% | 54.46% | 61.22% |        |        |        |        |
| 5   | 50.48% | 55.45% |        |        |        |        |        |

| Vintage Delinquency (Greater than 30 days delinquent) : New Conditional Sale |       |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|-------|
| Month  | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  |
| 0  | 0.00% | 0.00% | 0.01% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 1  | 0.17% | 0.21% | 0.26% | 0.18% | 0.18% | 0.07% | 0.20% | 0.49% |
| 2  | 0.09% | 0.08% | 0.07% | 0.13% | 0.06% | 0.03% | 0.09% | 0.72% |
| 3  | 0.11% | 0.12% | 0.13% | 0.13% | 0.06% | 0.10% | 0.17% |       |
| 4  | 0.17% | 0.15% | 0.21% | 0.18% | 0.11% | 0.11% | 0.25% |       |
| 5  | 0.20% | 0.11% | 0.22% | 0.22% | 0.21% | 0.22% | 0.50% |       |
| 6  | 0.19% | 0.17% | 0.28% | 0.21% | 0.28% | 0.25% | 0.52% |       |
| 7  | 0.24% | 0.24% | 0.29% | 0.26% | 0.29% | 0.38% | 0.83% |       |
| 8  | 0.27% | 0.19% | 0.29% | 0.28% | 0.26% | 0.40% | 0.88% |       |
| 9  | 0.34% | 0.25% | 0.33% | 0.35% | 0.28% | 0.61% | 0.98% |       |
| 10   | 0.31% | 0.27% | 0.32% | 0.39% | 0.35% | 0.68% | 0.86% |       |
| 11   | 0.38% | 0.29% | 0.30% | 0.40% | 0.43% | 0.63% | 1.04% |       |
| 12   | 0.38% | 0.37% | 0.37% | 0.37% | 0.46% | 0.94% | 0.92% |       |
| 13   | 0.48% | 0.31% | 0.45% | 0.29% | 0.42% | 0.73% |       |       |
| 14   | 0.44% | 0.31% | 0.37% | 0.28% | 0.57% | 0.85% |       |       |
| 15   | 0.46% | 0.33% | 0.41% | 0.33% | 0.72% | 1.04% |       |       |
| 16   | 0.48% | 0.39% | 0.39% | 0.35% | 0.73% | 1.22% |       |       |
| 17   | 0.41% | 0.27% | 0.32% | 0.40% | 0.70% | 1.12% |       |       |
| 18   | 0.47% | 0.31% | 0.43% | 0.47% | 0.75% | 1.22% |       |       |
| 19   | 0.45% | 0.44% | 0.46% | 0.47% | 0.70% | 1.53% |       |       |
| 20   | 0.41% | 0.44% | 0.47% | 0.53% | 0.86% | 1.53% |       |       |
| 21   | 0.55% | 0.34% | 0.40% | 0.56% | 0.79% | 1.69% |       |       |
| 22   | 0.61% | 0.44% | 0.42% | 0.54% | 1.04% | 1.43% |       |       |
| 23   | 0.58% | 0.42% | 0.45% | 0.63% | 1.09% |       |       |       |
| 24   | 0.58% | 0.46% | 0.49% | 0.69% | 1.29% |       |       |       |
| 25   | 0.73% | 0.42% | 0.48% | 0.82% | 1.38% |       |       |       |
| 26   | 0.69% | 0.46% | 0.54% | 0.86% | 1.77% |       |       |       |
| 27   | 0.83% | 0.49% | 0.58% | 0.90% | 1.88% |       |       |       |
| 28   | 0.99% | 0.48% | 0.63% | 1.05% | 1.81% |       |       |       |
| 29   | 1.06% | 0.40% | 0.67% | 1.21% | 2.10% |       |       |       |
| 30   | 1.12% | 0.55% | 0.82% | 1.29% | 2.40% |       |       |       |
| 31   | 1.15% | 0.83% | 0.88% | 1.40% | 2.28% |       |       |       |
| 32   | 1.14% | 0.73% | 0.91% | 1.61% |       |       |       |       |
| 33   | 1.40% | 0.91% | 1.01% | 1.54% |       |       |       |       |
| 34   | 1.91% | 0.95% | 1.07% | 1.64% |       |       |       |       |
| 35   |       | 1.01% | 1.29% | 1.62% |       |       |       |       |
| 36   |       | 1.22% | 1.31% | 1.73% |       |       |       |       |
| 37   |       |       | 1.33% | 1.69% |       |       |       |       |
| 38   |       |       | 1.38% | 1.75% |       |       |       |       |
| 39   |       |       | 1.47% | 1.94% |       |       |       |       |



**Vintage Delinquency (Greater than 30 days delinquent) : New Conditional Sale**

|    |  |  |       |       |  |  |  |  |
|----|--|--|-------|-------|--|--|--|--|
| 40 |  |  | 1.45% | 2.06% |  |  |  |  |
| 41 |  |  | 1.49% | 1.96% |  |  |  |  |
| 42 |  |  | 1.62% | 2.13% |  |  |  |  |

**Periodic ABS: New Conditional Sale**

| Month | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017 |
|-------|-------|-------|-------|-------|-------|-------|-------|------|
| 1     | 0.33% | 0.29% | 0.22% | 0.18% | 0.41% | 0.59% | 1.02% |      |
| 2     | 0.45% | 0.34% | 0.29% | 0.24% | 0.40% | 0.41% | 0.60% |      |
| 3     | 0.37% | 0.47% | 0.30% | 0.23% | 0.42% | 0.52% | 0.70% |      |
| 4     | 0.42% | 0.56% | 0.29% | 0.32% | 0.35% | 0.54% | 0.65% |      |
| 5     | 0.46% | 0.51% | 0.29% | 0.31% | 0.33% | 0.55% | 0.51% |      |
| 6     | 0.37% | 0.45% | 0.32% | 0.29% | 0.53% | 0.53% | 0.46% |      |
| 7     | 0.44% | 0.47% | 0.36% | 0.34% | 0.52% | 0.51% | 0.30% |      |
| 8     | 0.39% | 0.47% | 0.39% | 0.38% | 0.53% | 0.46% | 0.42% |      |
| 9     | 0.57% | 0.68% | 0.48% | 0.47% | 0.63% | 0.57% | 0.69% |      |
| 10    | 0.63% | 0.66% | 0.59% | 0.63% | 0.76% | 0.68% | 0.60% |      |
| 11    | 0.46% | 0.57% | 0.52% | 0.42% | 0.68% | 0.68% | 0.65% |      |
| 12    | 0.44% | 0.59% | 0.48% | 0.47% | 0.69% | 0.74% | 0.13% |      |
| 13    | 0.39% | 0.58% | 0.46% | 0.46% | 0.68% | 0.65% | 0.20% |      |
| 14    | 0.51% | 0.65% | 0.52% | 0.47% | 0.63% | 0.73% |       |      |
| 15    | 0.54% | 0.66% | 0.56% | 0.55% | 0.60% | 0.67% |       |      |
| 16    | 0.59% | 0.68% | 0.61% | 0.61% | 0.57% | 0.75% |       |      |
| 17    | 0.56% | 0.69% | 0.59% | 0.55% | 0.86% | 0.54% |       |      |
| 18    | 0.46% | 0.88% | 0.59% | 0.75% | 1.02% | 0.54% |       |      |
| 19    | 0.48% | 0.78% | 0.68% | 0.71% | 0.77% | 0.54% |       |      |
| 20    | 0.68% | 0.97% | 0.78% | 0.79% | 0.69% | 0.58% |       |      |
| 21    | 0.75% | 0.90% | 0.87% | 0.92% | 1.10% | 1.00% |       |      |
| 22    | 0.96% | 1.08% | 0.99% | 1.15% | 1.11% | 1.25% |       |      |
| 23    | 0.87% | 1.11% | 0.77% | 1.14% | 1.22% | 1.03% |       |      |
| 24    | 0.71% | 0.82% | 0.83% | 0.90% | 0.84% |       |       |      |
| 25    | 0.73% | 0.89% | 0.84% | 0.93% | 1.05% |       |       |      |
| 26    | 0.83% | 1.01% | 0.84% | 1.00% | 0.81% |       |       |      |
| 27    | 0.88% | 1.00% | 0.85% | 0.98% | 1.10% |       |       |      |
| 28    | 0.79% | 0.99% | 0.97% | 0.98% | 1.28% |       |       |      |
| 29    | 0.80% | 1.06% | 0.97% | 0.99% | 1.13% |       |       |      |
| 30    | 0.76% | 1.13% | 0.97% | 1.08% | 0.74% |       |       |      |
| 31    | 0.84% | 1.10% | 1.17% | 1.08% | 1.04% |       |       |      |
| 32    | 0.95% | 0.89% | 1.19% | 1.21% | 1.06% |       |       |      |
| 33    | 1.04% | 1.16% | 1.19% | 1.34% |       |       |       |      |
| 34    | 1.06% | 1.47% | 1.44% | 1.57% |       |       |       |      |
| 35    | 0.91% | 0.97% | 1.09% | 1.17% |       |       |       |      |
| 36    |       | 0.79% | 0.95% | 1.16% |       |       |       |      |
| 37    |       | 1.00% | 0.98% | 1.09% |       |       |       |      |
| 38    |       |       | 1.01% | 1.15% |       |       |       |      |
| 39    |       |       | 0.94% | 1.17% |       |       |       |      |
| 40    |       |       | 0.97% | 1.26% |       |       |       |      |
| 41    |       |       | 0.99% | 0.97% |       |       |       |      |
| 42    |       |       | 0.77% | 0.96% |       |       |       |      |
| 43    |       |       | 1.13% | 0.82% |       |       |       |      |

**Periodic CPR: New Conditional Sale**

| Month | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016   | 2017 |
|-------|-------|-------|-------|-------|-------|-------|--------|------|
| 1     | 3.95% | 3.39% | 2.58% | 2.19% | 4.78% | 6.86% | 11.57% |      |
| 2     | 5.24% | 3.99% | 3.48% | 2.85% | 4.70% | 4.81% | 7.03%  |      |
| 3     | 4.41% | 5.60% | 3.62% | 2.76% | 4.96% | 6.10% | 8.24%  |      |
| 4     | 4.95% | 6.59% | 3.50% | 3.84% | 4.17% | 6.39% | 7.62%  |      |
| 5     | 5.52% | 6.02% | 3.46% | 3.66% | 3.91% | 6.53% | 6.07%  |      |
| 6     | 4.48% | 5.33% | 3.88% | 3.49% | 6.36% | 6.33% | 5.51%  |      |
| 7     | 5.33% | 5.61% | 4.32% | 4.12% | 6.21% | 6.08% | 3.65%  |      |
| 8     | 4.73% | 5.63% | 4.72% | 4.60% | 6.41% | 5.50% | 5.09%  |      |
| 9     | 6.91% | 8.30% | 5.79% | 5.67% | 7.64% | 6.93% | 8.41%  |      |
| 10    | 7.79% | 8.16% | 7.22% | 7.77% | 9.40% | 8.40% | 7.40%  |      |
| 11    | 5.65% | 6.97% | 6.40% | 5.13% | 8.39% | 8.43% | 8.07%  |      |
| 12    | 5.46% | 7.27% | 5.95% | 5.76% | 8.66% | 9.23% | 1.57%  |      |
| 13    | 4.81% | 7.20% | 5.69% | 5.68% | 8.47% | 8.14% | 2.44%  |      |
| 14    | 6.35% | 8.22% | 6.52% | 5.80% | 7.93% | 9.32% |        |      |
| 15    | 6.85% | 8.42% | 7.08% | 6.98% | 7.57% | 8.48% |        |      |
| 16    | 7.47% | 8.76% | 7.74% | 7.77% | 7.17% | 9.66% |        |      |

| Periodic CPR: New Conditional Sale |        |        |        |        |        |        |  |
|------------------------------------|--------|--------|--------|--------|--------|--------|--|
| 17                                 | 7.11%  | 8.98%  | 7.61%  | 7.04%  | 11.31% | 6.86%  |  |
| 18                                 | 5.78%  | 11.75% | 7.66%  | 9.85%  | 13.84% | 6.96%  |  |
| 19                                 | 6.15%  | 10.41% | 8.88%  | 9.30%  | 10.24% | 6.93%  |  |
| 20                                 | 8.91%  | 13.34% | 10.51% | 10.53% | 9.17%  | 7.61%  |  |
| 21                                 | 10.02% | 12.38% | 11.90% | 12.71% | 15.63% | 13.94% |  |
| 22                                 | 13.45% | 15.60% | 13.93% | 16.67% | 16.12% | 18.51% |  |
| 23                                 | 12.10% | 16.25% | 10.55% | 16.86% | 18.20% | 14.79% |  |
| 24                                 | 9.70%  | 11.50% | 11.62% | 12.76% | 11.78% |        |  |
| 25                                 | 10.11% | 12.85% | 11.94% | 13.47% | 15.65% |        |  |
| 26                                 | 11.83% | 14.98% | 11.99% | 14.84% | 11.52% |        |  |
| 27                                 | 12.78% | 15.09% | 12.37% | 14.66% | 17.04% |        |  |
| 28                                 | 11.46% | 15.00% | 14.71% | 14.90% | 21.11% |        |  |
| 29                                 | 11.68% | 16.68% | 14.87% | 15.22% | 18.16% |        |  |
| 30                                 | 11.03% | 18.31% | 14.96% | 17.26% | 10.73% |        |  |
| 31                                 | 12.70% | 18.11% | 19.68% | 17.67% | 16.66% |        |  |
| 32                                 | 14.96% | 13.73% | 20.50% | 21.00% | 17.35% |        |  |
| 33                                 | 17.21% | 19.94% | 20.87% | 24.66% |        |        |  |
| 34                                 | 17.95% | 29.28% | 28.52% | 32.73% |        |        |  |
| 35                                 | 14.78% | 16.13% | 18.79% | 21.04% |        |        |  |
| 36                                 |        | 12.39% | 15.87% | 21.21% |        |        |  |
| 37                                 |        | 17.13% | 16.84% | 19.45% |        |        |  |
| 38                                 |        |        | 17.61% | 21.54% |        |        |  |
| 39                                 |        |        | 16.27% | 22.48% |        |        |  |
| 40                                 |        |        | 17.22% | 25.96% |        |        |  |
| 41                                 |        |        | 17.97% | 17.41% |        |        |  |
| 42                                 |        |        | 12.67% | 17.32% |        |        |  |
| 43                                 |        |        | 22.97% | 14.09% |        |        |  |

Used Conditional Sale

| Cumulative Gross Credit Default: Used Conditional Sale |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|
| Month  | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  |
| 0  | 0.14% | 0.08% | 0.09% | 0.06% | 0.07% | 0.07% | 0.09% |
| 1  | 0.18% | 0.10% | 0.12% | 0.08% | 0.07% | 0.10% | 0.12% |
| 2  | 0.27% | 0.12% | 0.15% | 0.09% | 0.11% | 0.12% | 0.13% |
| 3  | 0.30% | 0.17% | 0.17% | 0.12% | 0.12% | 0.14% | 0.23% |
| 4  | 0.36% | 0.20% | 0.21% | 0.14% | 0.14% | 0.20% |       |
| 5  | 0.44% | 0.23% | 0.23% | 0.17% | 0.14% | 0.25% |       |
| 6  | 0.51% | 0.27% | 0.25% | 0.20% | 0.18% | 0.30% |       |
| 7  | 0.58% | 0.32% | 0.29% | 0.22% | 0.20% | 0.35% |       |
| 8  | 0.65% | 0.35% | 0.33% | 0.24% | 0.25% | 0.40% |       |
| 9  | 0.76% | 0.39% | 0.37% | 0.29% | 0.30% | 0.46% |       |
| 10   | 0.85% | 0.44% | 0.41% | 0.33% | 0.32% | 0.53% |       |
| 11   | 0.95% | 0.48% | 0.45% | 0.35% | 0.35% | 0.59% |       |
| 12   | 1.01% | 0.54% | 0.48% | 0.37% | 0.41% | 0.66% |       |
| 13   | 1.08% | 0.58% | 0.51% | 0.38% | 0.42% | 0.68% |       |
| 14   | 1.13% | 0.62% | 0.54% | 0.42% | 0.44% | 0.74% |       |
| 15   | 1.19% | 0.66% | 0.57% | 0.44% | 0.46% | 0.80% |       |
| 16   | 1.22% | 0.69% | 0.59% | 0.47% | 0.50% |       |       |
| 17   | 1.27% | 0.71% | 0.62% | 0.47% | 0.52% |       |       |
| 18   | 1.33% | 0.74% | 0.65% | 0.48% | 0.55% |       |       |
| 19   | 1.38% | 0.77% | 0.67% | 0.51% | 0.58% |       |       |
| 20   | 1.43% | 0.80% | 0.68% | 0.52% | 0.60% |       |       |
| 21   | 1.47% | 0.84% | 0.71% | 0.53% | 0.62% |       |       |
| 22   | 1.50% | 0.88% | 0.73% | 0.54% | 0.63% |       |       |
| 23   | 1.54% | 0.90% | 0.73% | 0.55% | 0.66% |       |       |
| 24   | 1.57% | 0.91% | 0.75% | 0.57% | 0.67% |       |       |
| 25   | 1.60% | 0.92% | 0.75% | 0.58% | 0.68% |       |       |

| Cumulative Gross Credit Default: Used Conditional Sale |       |       |       |       |       |  |  |
|--|-------|-------|-------|-------|-------|--|--|
| 26   | 1.63% | 0.94% | 0.77% | 0.59% | 0.69% |  |  |
| 27   | 1.65% | 0.95% | 0.78% | 0.59% | 0.72% |  |  |
| 28   | 1.68% | 0.97% | 0.79% | 0.61% |       |  |  |
| 29   | 1.70% | 0.99% | 0.80% | 0.62% |       |  |  |
| 30   | 1.74% | 1.00% | 0.81% | 0.63% |       |  |  |
| 31   | 1.74% | 1.00% | 0.82% | 0.64% |       |  |  |
| 32   | 1.76% | 1.01% | 0.83% | 0.67% |       |  |  |
| 33   | 1.78% | 1.03% | 0.84% | 0.68% |       |  |  |
| 34   | 1.79% | 1.04% | 0.85% | 0.69% |       |  |  |
| 35   | 1.81% | 1.05% | 0.85% | 0.70% |       |  |  |
| 36   | 1.81% | 1.06% | 0.86% | 0.71% |       |  |  |
| 37   | 1.82% | 1.07% | 0.87% | 0.73% |       |  |  |
| 38   | 1.83% | 1.08% | 0.88% | 0.73% |       |  |  |
| 39   | 1.83% | 1.09% | 0.89% | 0.74% |       |  |  |
| 40   | 1.84% | 1.10% | 0.89% |       |       |  |  |
| 41   | 1.85% | 1.10% | 0.90% |       |       |  |  |
| 42   | 1.86% | 1.10% | 0.91% |       |       |  |  |
| 43   | 1.86% | 1.11% | 0.92% |       |       |  |  |
| 44   | 1.86% | 1.11% | 0.93% |       |       |  |  |
| 45   | 1.87% | 1.12% | 0.94% |       |       |  |  |
| 46   | 1.87% | 1.12% | 0.94% |       |       |  |  |
| 47   | 1.87% | 1.12% | 0.95% |       |       |  |  |
| 48   | 1.87% | 1.13% | 0.96% |       |       |  |  |
| 49   | 1.88% | 1.13% | 0.96% |       |       |  |  |
| 50   | 1.89% | 1.13% | 0.96% |       |       |  |  |
| 51   | 1.89% | 1.14% | 0.96% |       |       |  |  |
| 52   | 1.90% | 1.14% |       |       |       |  |  |
| 53   | 1.90% | 1.14% |       |       |       |  |  |
| 54   | 1.90% | 1.14% |       |       |       |  |  |
| 55   | 1.90% | 1.14% |       |       |       |  |  |
| 56   | 1.90% | 1.15% |       |       |       |  |  |
| 57   | 1.90% | 1.15% |       |       |       |  |  |
| 58   | 1.91% | 1.15% |       |       |       |  |  |
| 59   | 1.91% | 1.15% |       |       |       |  |  |
| 60   | 1.91% | 1.15% |       |       |       |  |  |

| Cumulative Recovery from Credit Default: Used Conditional Sale |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Year of Default  | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   |
| Initial  | 44.67% | 35.63% | 39.78% | 40.74% | 54.23% | 43.39% | 38.09% |
| 0  | 46.80% | 36.88% | 41.70% | 41.60% | 55.98% | 45.59% | 40.97% |
| 1  | 49.79% | 39.72% | 44.93% | 44.09% | 59.90% | 49.34% |        |
| 2  | 51.61% | 40.79% | 46.62% | 45.83% | 62.52% |        |        |
| 3  | 52.78% | 41.70% | 47.87% | 47.63% |        |        |        |
| 4  | 53.60% | 42.84% | 48.82% |        |        |        |        |
| 5  | 54.07% | 43.63% |        |        |        |        |        |

| Vintage Delinquency (Greater than 30 days delinquent) : Used Conditional Sale |       |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|-------|
| Month   | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  |
| 0   | 0.00% | 0.00% | 0.01% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 1   | 0.17% | 0.21% | 0.26% | 0.18% | 0.18% | 0.07% | 0.20% | 0.49% |
| 2   | 0.09% | 0.08% | 0.07% | 0.13% | 0.06% | 0.03% | 0.09% | 0.72% |
| 3   | 0.11% | 0.12% | 0.13% | 0.13% | 0.06% | 0.10% | 0.17% |       |
| 4   | 0.17% | 0.15% | 0.21% | 0.18% | 0.11% | 0.11% | 0.25% |       |

| Vintage Delinquency (Greater than 30 days delinquent) : Used Conditional Sale |       |       |       |       |       |       |       |  |
|---|-------|-------|-------|-------|-------|-------|-------|--|
| 5   | 0.20% | 0.11% | 0.22% | 0.22% | 0.21% | 0.22% | 0.50% |  |
| 6   | 0.19% | 0.17% | 0.28% | 0.21% | 0.28% | 0.25% | 0.52% |  |
| 7   | 0.24% | 0.24% | 0.29% | 0.26% | 0.29% | 0.38% | 0.83% |  |
| 8   | 0.27% | 0.19% | 0.29% | 0.28% | 0.26% | 0.40% | 0.88% |  |
| 9   | 0.34% | 0.25% | 0.33% | 0.35% | 0.28% | 0.61% | 0.98% |  |
| 10  | 0.31% | 0.27% | 0.32% | 0.39% | 0.35% | 0.68% | 0.86% |  |
| 11  | 0.38% | 0.29% | 0.30% | 0.40% | 0.43% | 0.63% | 1.04% |  |
| 12  | 0.38% | 0.37% | 0.37% | 0.37% | 0.46% | 0.94% | 0.92% |  |
| 13  | 0.48% | 0.31% | 0.45% | 0.29% | 0.42% | 0.73% |       |  |
| 14  | 0.44% | 0.31% | 0.37% | 0.28% | 0.57% | 0.85% |       |  |
| 15  | 0.46% | 0.33% | 0.41% | 0.33% | 0.72% | 1.04% |       |  |
| 16  | 0.48% | 0.39% | 0.39% | 0.35% | 0.73% | 1.22% |       |  |
| 17  | 0.41% | 0.27% | 0.32% | 0.40% | 0.70% | 1.12% |       |  |
| 18  | 0.47% | 0.31% | 0.43% | 0.47% | 0.75% | 1.22% |       |  |
| 19  | 0.45% | 0.44% | 0.46% | 0.47% | 0.70% | 1.53% |       |  |
| 20  | 0.41% | 0.44% | 0.47% | 0.53% | 0.86% | 1.53% |       |  |
| 21  | 0.55% | 0.34% | 0.40% | 0.56% | 0.79% | 1.69% |       |  |
| 22  | 0.61% | 0.44% | 0.42% | 0.54% | 1.04% | 1.43% |       |  |
| 23  | 0.58% | 0.42% | 0.45% | 0.63% | 1.09% |       |       |  |
| 24  | 0.58% | 0.46% | 0.49% | 0.69% | 1.29% |       |       |  |
| 25  | 0.73% | 0.42% | 0.48% | 0.82% | 1.38% |       |       |  |
| 26  | 0.69% | 0.46% | 0.54% | 0.86% | 1.77% |       |       |  |
| 27  | 0.83% | 0.49% | 0.58% | 0.90% | 1.88% |       |       |  |
| 28  | 0.99% | 0.48% | 0.63% | 1.05% | 1.81% |       |       |  |
| 29  | 1.06% | 0.40% | 0.67% | 1.21% | 2.10% |       |       |  |
| 30  | 1.12% | 0.55% | 0.82% | 1.29% | 2.40% |       |       |  |
| 31  | 1.15% | 0.83% | 0.88% | 1.40% | 2.28% |       |       |  |
| 32  | 1.14% | 0.73% | 0.91% | 1.61% |       |       |       |  |
| 33  | 1.40% | 0.91% | 1.01% | 1.54% |       |       |       |  |
| 34  | 1.91% | 0.95% | 1.07% | 1.64% |       |       |       |  |
| 35  |       | 1.01% | 1.29% | 1.62% |       |       |       |  |
| 36  |       | 1.22% | 1.31% | 1.73% |       |       |       |  |
| 37  |       |       | 1.33% | 1.69% |       |       |       |  |
| 38  |       |       | 1.38% | 1.75% |       |       |       |  |
| 39  |       |       | 1.47% | 1.94% |       |       |       |  |
| 40  |       |       | 1.45% | 2.06% |       |       |       |  |
| 41  |       |       | 1.49% | 1.96% |       |       |       |  |
| 42  |       |       | 1.62% | 2.13% |       |       |       |  |

| Periodic ABS: Used Conditional Sale |       |       |       |       |       |       |       |      |
|-------------------------------------|-------|-------|-------|-------|-------|-------|-------|------|
| Month                               | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017 |
| 1                                   | 0.33% | 0.29% | 0.22% | 0.18% | 0.41% | 0.59% | 1.02% |      |
| 2                                   | 0.45% | 0.34% | 0.29% | 0.24% | 0.40% | 0.41% | 0.60% |      |
| 3                                   | 0.37% | 0.47% | 0.30% | 0.23% | 0.42% | 0.52% | 0.70% |      |
| 4                                   | 0.42% | 0.56% | 0.29% | 0.32% | 0.35% | 0.54% | 0.65% |      |
| 5                                   | 0.46% | 0.51% | 0.29% | 0.31% | 0.33% | 0.55% | 0.51% |      |
| 6                                   | 0.37% | 0.45% | 0.32% | 0.29% | 0.53% | 0.53% | 0.46% |      |
| 7                                   | 0.44% | 0.47% | 0.36% | 0.34% | 0.52% | 0.51% | 0.30% |      |
| 8                                   | 0.39% | 0.47% | 0.39% | 0.38% | 0.53% | 0.46% | 0.42% |      |
| 9                                   | 0.57% | 0.68% | 0.48% | 0.47% | 0.63% | 0.57% | 0.69% |      |
| 10                                  | 0.63% | 0.66% | 0.59% | 0.63% | 0.76% | 0.68% | 0.60% |      |
| 11                                  | 0.46% | 0.57% | 0.52% | 0.42% | 0.68% | 0.68% | 0.65% |      |
| 12                                  | 0.44% | 0.59% | 0.48% | 0.47% | 0.69% | 0.74% | 0.13% |      |
| 13                                  | 0.39% | 0.58% | 0.46% | 0.46% | 0.68% | 0.65% | 0.20% |      |
| 14                                  | 0.51% | 0.65% | 0.52% | 0.47% | 0.63% | 0.73% |       |      |
| 15                                  | 0.54% | 0.66% | 0.56% | 0.55% | 0.60% | 0.67% |       |      |
| 16                                  | 0.59% | 0.68% | 0.61% | 0.61% | 0.57% | 0.75% |       |      |
| 17                                  | 0.56% | 0.69% | 0.59% | 0.55% | 0.86% | 0.54% |       |      |
| 18                                  | 0.46% | 0.88% | 0.59% | 0.75% | 1.02% | 0.54% |       |      |
| 19                                  | 0.48% | 0.78% | 0.68% | 0.71% | 0.77% | 0.54% |       |      |
| 20                                  | 0.68% | 0.97% | 0.78% | 0.79% | 0.69% | 0.58% |       |      |
| 21                                  | 0.75% | 0.90% | 0.87% | 0.92% | 1.10% | 1.00% |       |      |

|    |       |       |       |       |       |       |  |  |
|----|-------|-------|-------|-------|-------|-------|--|--|
| 22 | 0.96% | 1.08% | 0.99% | 1.15% | 1.11% | 1.25% |  |  |
| 23 | 0.87% | 1.11% | 0.77% | 1.14% | 1.22% | 1.03% |  |  |
| 24 | 0.71% | 0.82% | 0.83% | 0.90% | 0.84% |       |  |  |
| 25 | 0.73% | 0.89% | 0.84% | 0.93% | 1.05% |       |  |  |
| 26 | 0.83% | 1.01% | 0.84% | 1.00% | 0.81% |       |  |  |
| 27 | 0.88% | 1.00% | 0.85% | 0.98% | 1.10% |       |  |  |
| 28 | 0.79% | 0.99% | 0.97% | 0.98% | 1.28% |       |  |  |
| 29 | 0.80% | 1.06% | 0.97% | 0.99% | 1.13% |       |  |  |
| 30 | 0.76% | 1.13% | 0.97% | 1.08% | 0.74% |       |  |  |
| 31 | 0.84% | 1.10% | 1.17% | 1.08% | 1.04% |       |  |  |
| 32 | 0.95% | 0.89% | 1.19% | 1.21% | 1.06% |       |  |  |
| 33 | 1.04% | 1.16% | 1.19% | 1.34% |       |       |  |  |
| 34 | 1.06% | 1.47% | 1.44% | 1.57% |       |       |  |  |
| 35 | 0.91% | 0.97% | 1.09% | 1.17% |       |       |  |  |
| 36 |       | 0.79% | 0.95% | 1.16% |       |       |  |  |
| 37 |       | 1.00% | 0.98% | 1.09% |       |       |  |  |
| 38 |       |       | 1.01% | 1.15% |       |       |  |  |
| 39 |       |       | 0.94% | 1.17% |       |       |  |  |
| 40 |       |       | 0.97% | 1.26% |       |       |  |  |
| 41 |       |       | 0.99% | 0.97% |       |       |  |  |
| 42 |       |       | 0.77% | 0.96% |       |       |  |  |
| 43 |       |       | 1.13% | 0.82% |       |       |  |  |

| Periodic CPR: Used Conditional Sale |        |        |        |        |        |        |        |      |
|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|------|
| Month                               | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017 |
| 1                                   | 3.95%  | 3.39%  | 2.58%  | 2.19%  | 4.78%  | 6.86%  | 11.57% |      |
| 2                                   | 5.24%  | 3.99%  | 3.48%  | 2.85%  | 4.70%  | 4.81%  | 7.03%  |      |
| 3                                   | 4.41%  | 5.60%  | 3.62%  | 2.76%  | 4.96%  | 6.10%  | 8.24%  |      |
| 4                                   | 4.95%  | 6.59%  | 3.50%  | 3.84%  | 4.17%  | 6.39%  | 7.62%  |      |
| 5                                   | 5.52%  | 6.02%  | 3.46%  | 3.66%  | 3.91%  | 6.53%  | 6.07%  |      |
| 6                                   | 4.48%  | 5.33%  | 3.88%  | 3.49%  | 6.36%  | 6.33%  | 5.51%  |      |
| 7                                   | 5.33%  | 5.61%  | 4.32%  | 4.12%  | 6.21%  | 6.08%  | 3.65%  |      |
| 8                                   | 4.73%  | 5.63%  | 4.72%  | 4.60%  | 6.41%  | 5.50%  | 5.09%  |      |
| 9                                   | 6.91%  | 8.30%  | 5.79%  | 5.67%  | 7.64%  | 6.93%  | 8.41%  |      |
| 10                                  | 7.79%  | 8.16%  | 7.22%  | 7.77%  | 9.40%  | 8.40%  | 7.40%  |      |
| 11                                  | 5.65%  | 6.97%  | 6.40%  | 5.13%  | 8.39%  | 8.43%  | 8.07%  |      |
| 12                                  | 5.46%  | 7.27%  | 5.95%  | 5.76%  | 8.66%  | 9.23%  | 1.57%  |      |
| 13                                  | 4.81%  | 7.20%  | 5.69%  | 5.68%  | 8.47%  | 8.14%  | 2.44%  |      |
| 14                                  | 6.35%  | 8.22%  | 6.52%  | 5.80%  | 7.93%  | 9.32%  |        |      |
| 15                                  | 6.85%  | 8.42%  | 7.08%  | 6.98%  | 7.57%  | 8.48%  |        |      |
| 16                                  | 7.47%  | 8.76%  | 7.74%  | 7.77%  | 7.17%  | 9.66%  |        |      |
| 17                                  | 7.11%  | 8.98%  | 7.61%  | 7.04%  | 11.31% | 6.86%  |        |      |
| 18                                  | 5.78%  | 11.75% | 7.66%  | 9.85%  | 13.84% | 6.96%  |        |      |
| 19                                  | 6.15%  | 10.41% | 8.88%  | 9.30%  | 10.24% | 6.93%  |        |      |
| 20                                  | 8.91%  | 13.34% | 10.51% | 10.53% | 9.17%  | 7.61%  |        |      |
| 21                                  | 10.02% | 12.38% | 11.90% | 12.71% | 15.63% | 13.94% |        |      |
| 22                                  | 13.45% | 15.60% | 13.93% | 16.67% | 16.12% | 18.51% |        |      |
| 23                                  | 12.10% | 16.25% | 10.55% | 16.86% | 18.20% | 14.79% |        |      |
| 24                                  | 9.70%  | 11.50% | 11.62% | 12.76% | 11.78% |        |        |      |
| 25                                  | 10.11% | 12.85% | 11.94% | 13.47% | 15.65% |        |        |      |
| 26                                  | 11.83% | 14.98% | 11.99% | 14.84% | 11.52% |        |        |      |
| 27                                  | 12.78% | 15.09% | 12.37% | 14.66% | 17.04% |        |        |      |
| 28                                  | 11.46% | 15.00% | 14.71% | 14.90% | 21.11% |        |        |      |
| 29                                  | 11.68% | 16.68% | 14.87% | 15.22% | 18.16% |        |        |      |
| 30                                  | 11.03% | 18.31% | 14.96% | 17.26% | 10.73% |        |        |      |
| 31                                  | 12.70% | 18.11% | 19.68% | 17.67% | 16.66% |        |        |      |
| 32                                  | 14.96% | 13.73% | 20.50% | 21.00% | 17.35% |        |        |      |
| 33                                  | 17.21% | 19.94% | 20.87% | 24.66% |        |        |        |      |
| 34                                  | 17.95% | 29.28% | 28.52% | 32.73% |        |        |        |      |
| 35                                  | 14.78% | 16.13% | 18.79% | 21.04% |        |        |        |      |
| 36                                  |        | 12.39% | 15.87% | 21.21% |        |        |        |      |
| 37                                  |        | 17.13% | 16.84% | 19.45% |        |        |        |      |

| Periodic CPR: Used Conditional Sale |  |  |        |        |  |  |  |  |
|-------------------------------------|--|--|--------|--------|--|--|--|--|
| 38                                  |  |  | 17.61% | 21.54% |  |  |  |  |
| 39                                  |  |  | 16.27% | 22.48% |  |  |  |  |
| 40                                  |  |  | 17.22% | 25.96% |  |  |  |  |
| 41                                  |  |  | 17.97% | 17.41% |  |  |  |  |
| 42                                  |  |  | 12.67% | 17.32% |  |  |  |  |
| 43                                  |  |  | 22.97% | 14.09% |  |  |  |  |

## Voluntary Termination Data

The following statistical information sets out certain historical data in respect of the Purchased Receivables that are Voluntary Terminations (each, a **VT**). The information set out below in respect of the provisional Portfolio may not necessarily correspond to that of the Purchased Receivables on the Closing Date. After the Closing Date, the Portfolio will change from time to time as a result of repayment, prepayments or repurchase of Purchased Receivables.

| Month where VT occurred                                | Jan-10         | Feb-10         | Mar-10         | Apr-10         | May-10         | Jun-10         | Jul-10         | Aug-10         | Sep-10         | Oct-10         | Nov-10         | Dec-10         |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Losses on Loans that have VT'd                         | £44,455        | £52,790        | £89,122        | £45,567        | £84,102        | £44,652        | £42,174        | £44,355        | £68,868        | £59,409        | £61,374        | £51,920        |
| Principal Balance of Loans Eligible to VT (£)          | £550,388,845   | £581,678,344   | £667,491,271   | £708,605,386   | £748,285,357   | £794,633,107   | £831,773,545   | £855,502,299   | £925,472,451   | £953,437,593   | £973,733,967   | £986,437,368   |
| % of Principal Balance of Eligible Loans at time of VT | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          |
| Month where VT occurred                                | Jan-11         | Feb-11         | Mar-11         | Apr-11         | May-11         | Jun-11         | Jul-11         | Aug-11         | Sep-11         | Oct-11         | Nov-11         | Dec-11         |
| Losses on Loans that have VT'd                         | £69,383        | £42,863        | £52,102        | £93,410        | £110,424       | £55,834        | £112,308       | £62,184        | £152,853       | £82,165        | £160,957       | £139,594       |
| Principal Balance of Loans Eligible to VT (£)          | £1,001,517,084 | £1,010,227,979 | £1,080,849,440 | £1,111,578,311 | £1,148,281,928 | £1,184,033,771 | £1,213,443,477 | £1,227,333,017 | £1,275,410,534 | £1,293,123,288 | £1,305,220,955 | £1,309,534,421 |
| % of Principal Balance of Eligible Loans at time of VT | 0.01%          | 0.00%          | 0.00%          | 0.01%          | 0.01%          | 0.00%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          |
| Month where VT occurred                                | Jan-12         | Feb-12         | Mar-12         | Apr-12         | May-12         | Jun-12         | Jul-12         | Aug-12         | Sep-12         | Oct-12         | Nov-12         | Dec-12         |
| Losses on Loans that have VT'd                         | £181,062       | £102,098       | £120,540       | £100,581       | £158,190       | £158,358       | £179,608       | £142,262       | £128,959       | £170,930       | £172,420       | £182,666       |
| Principal Balance of Loans Eligible to VT (£)          | £1,325,818,274 | £1,329,550,816 | £1,387,642,084 | £1,415,564,819 | £1,458,036,304 | £1,505,159,855 | £1,530,460,326 | £1,523,335,707 | £1,561,146,567 | £1,558,306,444 | £1,553,998,727 | £1,538,205,643 |
| % of Principal Balance of Eligible Loans at time of VT | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          |
| Month where VT occurred                                | Jan-13         | Feb-13         | Mar-13         | Apr-13         | May-13         | Jun-13         | Jul-13         | Aug-13         | Sep-13         | Oct-13         | Nov-13         | Dec-13         |
| Losses on Loans that have VT'd                         | £194,193       | £116,117       | £149,691       | £131,724       | £101,095       | £148,021       | £88,319        | £155,897       | £165,008       | £129,927       | £90,442        | £166,313       |
| Principal Balance of Loans Eligible to VT (£)          | £1,538,905,833 | £1,528,599,426 | £1,578,777,042 | £1,588,415,091 | £1,606,340,327 | £1,624,876,666 | £1,626,816,777 | £1,622,969,375 | £1,675,732,673 | £1,736,859,556 | £1,736,389,594 | £1,729,422,295 |
| % of Principal Balance of Eligible Loans at time of VT | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          |
| Month where VT occurred                                | Jan-14         | Feb-14         | Mar-14         | Apr-14         | May-14         | Jun-14         | Jul-14         | Aug-14         | Sep-14         | Oct-14         | Nov-14         | Dec-14         |
| Losses on Loans that have VT'd                         | £199,659       | £100,077       | £126,779       | £146,381       | £132,707       | £98,833        | £165,036       | £111,337       | £220,700       | £103,498       | £93,891        | £182,443       |
| Principal Balance of Loans Eligible to VT (£)          | £1,737,794,127 | £1,730,894,760 | £1,791,523,358 | £1,792,842,092 | £1,806,656,042 | £1,819,463,298 | £1,823,524,402 | £1,819,206,067 | £1,863,926,331 | £1,874,876,300 | £1,877,016,098 | £1,869,623,200 |

|  |                |                |                |                |                |                |                |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| VT (£)   |                |                |                |                |                |                |                |                |                |                |                |                |
| % of Principal Balance of Eligible Loans at time of VT | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          |
| Month where VT occurred                                | <b>Jan-15</b>  | <b>Feb-15</b>  | <b>Mar-15</b>  | <b>Apr-15</b>  | <b>May-15</b>  | <b>Jun-15</b>  | <b>Jul-15</b>  | <b>Aug-15</b>  | <b>Sep-15</b>  | <b>Oct-15</b>  | <b>Nov-15</b>  | <b>Dec-15</b>  |
| Losses on Loans that have VT'd                         | £88,860        | £269,123       | £194,129       | £158,849       | £193,537       | £254,279       | £184,468       | £254,335       | £270,114       | £194,682       | £309,898       | £326,245       |
| Principal Balance of Loans Eligible to VT (£)          | £1,875,756,227 | £1,881,833,361 | £1,930,858,080 | £1,941,261,009 | £1,950,004,544 | £1,965,463,935 | £1,984,409,164 | £1,983,940,810 | £2,029,138,154 | £2,042,678,947 | £2,057,272,962 | £2,053,025,711 |
| % of Principal Balance of Eligible Loans at time of VT | 0.00%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.02%          | 0.02%          |
| Month where VT occurred                                | <b>Jan-16</b>  | <b>Feb-16</b>  | <b>Mar-16</b>  | <b>Apr-16</b>  | <b>May-16</b>  | <b>Jun-16</b>  | <b>Jul-16</b>  | <b>Aug-16</b>  | <b>Sep-16</b>  | <b>Oct-16</b>  | <b>Nov-16</b>  | <b>Dec-16</b>  |
| Losses on Loans that have VT'd                         | £204,785       | £354,474       | £245,946       | £303,665       | £412,733       | £340,180       | £237,298       | £252,848       | £274,728       | £238,255       | £276,433       | £664,870       |
| Principal Balance of Loans Eligible to VT (£)          | £2,061,796,587 | £2,053,965,449 | £2,115,482,046 | £2,128,845,215 | £2,143,556,369 | £2,169,217,476 | £2,183,373,950 | £2,180,515,008 | £2,223,877,195 | £2,237,191,737 | £2,243,622,231 | £2,246,111,705 |
| % of Principal Balance of Eligible Loans at time of VT | 0.01%          | 0.02%          | 0.01%          | 0.01%          | 0.02%          | 0.02%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.01%          | 0.03%          |
| Month where VT occurred                                | <b>Jan-17</b>  | <b>Feb-17</b>  | <b>Mar-17</b>  |                |                |                |                |                |                |                |                |                |
| Losses on Loans that have VT'd                         | £400,296       | £277,997       | £342,116       |                |                |                |                |                |                |                |                |                |
| Principal Balance of Loans Eligible to VT (£)          | £2,247,113,409 | £2,239,853,888 | £2,299,909,759 |                |                |                |                |                |                |                |                |                |
| % of Principal Balance of Eligible Loans at time of VT | 0.02%          | 0.01%          | 0.01%          |                |                |                |                |                |                |                |                |                |



## Managed Pool Performance

The following statistical information sets out certain historical data in respect of a representative pool of historical loans originated by SCUK up to the Cut-Off Date. The information set out below may not necessarily correspond to that of the Purchased Receivables on the Closing Date. After the Closing Date, the Portfolio will change from time to time as a result of repayment, prepayments, repurchase of Purchased Receivables or purchase of Further Receivables.

| Total Managed Pool Segments (£) |                    |                    |                    |                      |                      |                      |                      |                      |                      |                      |
|---------------------------------|--------------------|--------------------|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                 | 2008               | 2009               | 2010               | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 | 2016                 | At 31 March 2017     |
| PCP New                         | 327,905            | 68,113,580         | 207,495,217        | 283,122,571          | 319,787,458          | 351,472,719          | 443,511,240          | 548,891,425          | 682,316,020          | 710,423,230          |
| PCP Used                        | 1,962,450          | 14,568,773         | 34,774,185         | 50,683,676           | 65,454,265           | 85,139,473           | 128,686,985          | 203,359,309          | 307,937,468          | 344,563,745          |
| Conditional Sale New            | 56,686,233         | 154,435,893        | 244,311,911        | 260,338,686          | 394,649,919          | 499,662,026          | 394,387,781          | 300,186,512          | 219,175,782          | 199,738,318          |
| Conditional Sale Used           | 168,378,336        | 284,895,635        | 500,072,625        | 715,625,442          | 758,694,498          | 793,478,581          | 903,041,748          | 1,000,589,611        | 1,036,682,867        | 1,045,184,467        |
| <b>Total</b>                    | <b>227,354,923</b> | <b>522,013,880</b> | <b>986,653,938</b> | <b>1,309,770,375</b> | <b>1,538,586,141</b> | <b>1,729,752,799</b> | <b>1,869,627,754</b> | <b>2,053,026,857</b> | <b>2,246,112,137</b> | <b>2,299,909,759</b> |

| New PCP Originations (£)                         |         |            |             |             |             |             |             |             |             |                  |
|--|---------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------|
|  | 2008    | 2009       | 2010        | 2011        | 2012        | 2013        | 2014        | 2015        | 2016        | At 31 March 2017 |
| New PCP Originations                             | 327,905 | 68,113,580 | 207,495,217 | 283,122,571 | 319,787,458 | 351,472,719 | 443,511,240 | 548,891,425 | 682,316,020 | 710,423,230      |
| Delinquency Bucket                               |         |            |             |             |             |             |             |             |             |                  |
| 31-60  | -       | 24,889     | 162,887     | 214,061     | 289,162     | 288,521     | 302,552     | 227,412     | 296,271     | 352,583          |
| 61-90  | -       | 10,167     | 52,323      | 83,229      | 119,197     | 66,279      | 87,293      | 74,612      | 171,598     | 215,320          |
| 91+  | -       | -          | 70,088      | 127,005     | 144,198     | 183,683     | 193,444     | 168,882     | 534,950     | 494,594          |
| Total Delinquencies                              | -       | 35,055     | 285,298     | 424,295     | 552,557     | 538,484     | 583,289     | 470,906     | 1,002,819   | 1,062,497        |
| Total Delinquencies as % of New PCP Originations | 0.00%   | 0.05%      | 0.14%       | 0.15%       | 0.17%       | 0.15%       | 0.13%       | 0.09%       | 0.15%       | 0.15%            |

| New PCP Originations (#)                         |       |       |        |        |        |        |        |        |        |                  |
|--|-------|-------|--------|--------|--------|--------|--------|--------|--------|------------------|
|  | 2008  | 2009  | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | At 31 March 2017 |
| New PCP Originations                             | 30    | 6,771 | 20,047 | 29,245 | 35,087 | 35,862 | 39,201 | 43,040 | 50,439 | 52,309           |
| Delinquency Bucket                               |       |       |        |        |        |        |        |        |        |                  |
| 31-60  | -     | 2     | 16     | 27     | 41     | 37     | 34     | 29     | 29     | 35               |
| 61-90  | -     | 1     | 5      | 9      | 16     | 10     | 10     | 13     | 15     | 16               |
| 91+  | -     | -     | 7      | 13     | 14     | 23     | 27     | 19     | 42     | 39               |
| Total Delinquencies                              | -     | 3     | 28     | 49     | 71     | 70     | 71     | 61     | 86     | 90               |
| Total Delinquencies as % of New PCP Originations | 0.00% | 0.04% | 0.14%  | 0.17%  | 0.20%  | 0.20%  | 0.18%  | 0.14%  | 0.17%  | 0.17%            |

**Used PCP Originations (£)**

|   | 2008      | 2009       | 2010       | 2011       | 2012       | 2013       | 2014        | 2015        | 2016        | At 31 March 2017 |
|---|-----------|------------|------------|------------|------------|------------|-------------|-------------|-------------|------------------|
| Used PCP Originations                             | 1,962,450 | 14,568,773 | 34,774,185 | 50,683,676 | 65,454,265 | 85,139,473 | 128,686,985 | 203,359,309 | 307,937,468 | 344,563,745      |
| Delinquency Bucket                                |           |            |            |            |            |            |             |             |             |                  |
| 31-60   | 11,535    | 13,341     | 16,056     | 90,361     | 67,277     | 95,154     | 133,106     | 177,382     | 500,522     | 580,796          |
| 61-90   | -         | -          | 31,701     | 18,991     | 15,447     | 30,295     | 76,942      | 187,393     | 271,628     | 265,785          |
| 91+   | -         | -          | 35,672     | 24,585     | 46,680     | 69,091     | 95,527      | 175,861     | 528,756     | 661,478          |
| Total Delinquencies                               | 11,535    | 13,341     | 83,429     | 133,937    | 129,404    | 194,540    | 305,575     | 540,636     | 1,300,906   | 1,508,059        |
| Total Delinquencies as % of Used PCP Originations | 0.59%     | 0.09%      | 0.24%      | 0.26%      | 0.20%      | 0.23%      | 0.24%       | 0.27%       | 0.42%       | 0.44%            |

**Used PCP Originations (#)**

|   | 2008  | 2009  | 2010  | 2011  | 2012  | 2013  | 2014   | 2015   | 2016   | At 31 March 2017 |
|---|-------|-------|-------|-------|-------|-------|--------|--------|--------|------------------|
| Used PCP Originations                             | 175   | 1,466 | 3,446 | 5,275 | 6,862 | 8,638 | 12,092 | 18,049 | 27,178 | 30,355           |
| Delinquency Bucket                                |       |       |       |       |       |       |        |        |        |                  |
| 31-60   | 1     | 1     | 2     | 11    | 12    | 11    | 16     | 18     | 47     | 56               |
| 61-90   | -     | -     | 3     | 3     | 3     | 4     | 6      | 17     | 23     | 27               |
| 91+   | -     | -     | 4     | 3     | 6     | 10    | 9      | 21     | 46     | 53               |
| Total Delinquencies                               | 1     | 1     | 9     | 17    | 21    | 25    | 31     | 56     | 116    | 136              |
| Total Delinquencies as % of Used PCP Originations | 0.57% | 0.07% | 0.26% | 0.32% | 0.31% | 0.29% | 0.26%  | 0.31%  | 0.43%  | 0.45%            |

**New Conditional Sale Originations (£)**

|  | 2008       | 2009        | 2010        | 2011        | 2012        | 2013        | 2014        | 2015        | 2016        | At 31 March 2017 |
|--|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------|
| New Conditional Sale Originations                              | 56,686,233 | 154,435,893 | 244,311,911 | 260,338,686 | 394,649,919 | 499,662,026 | 394,387,781 | 300,186,512 | 219,175,782 | 199,738,318      |
| Delinquency Bucket   |            |             |             |             |             |             |             |             |             |                  |
| 31-60  | 286,005    | 399,952     | 390,789     | 549,601     | 512,332     | 780,053     | 805,795     | 834,743     | 482,072     | 478,448          |
| 61-90  | 131,247    | 140,584     | 242,341     | 216,543     | 263,321     | 424,175     | 348,319     | 462,059     | 266,890     | 251,693          |
| 91+  | 154,634    | 176,923     | 253,752     | 302,126     | 492,521     | 718,812     | 621,393     | 1,285,745   | 948,084     | 947,904          |
| Total Delinquencies  | 571,885    | 717,459     | 886,882     | 1,068,271   | 1,268,175   | 1,923,040   | 1,775,507   | 2,582,547   | 1,697,046   | 1,678,045        |
| Total Delinquencies as % of New Conditional Sales Originations | 1.01%      | 0.46%       | 0.36%       | 0.41%       | 0.32%       | 0.38%       | 0.45%       | 0.86%       | 0.77%       | 0.84%            |

**New Conditional Sale Originations (#)**

|   | 2008  | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | At 31 March 2017 |
|---|-------|--------|--------|--------|--------|--------|--------|--------|--------|------------------|
| New Conditional Sale Originations                             | 9,394 | 25,327 | 43,264 | 50,665 | 61,288 | 64,005 | 56,277 | 45,998 | 37,688 | 35,312           |
| Delinquency Bucket  |       |        |        |        |        |        |        |        |        |                  |
| 31-60   | 33    | 52     | 51     | 72     | 66     | 99     | 110    | 112    | 75     | 80               |
| 61-90   | 17    | 24     | 34     | 27     | 38     | 53     | 47     | 64     | 44     | 50               |
| 91+   | 22    | 26     | 35     | 52     | 58     | 84     | 95     | 159    | 143    | 144              |
| Total Delinquencies   | 72    | 102    | 120    | 151    | 162    | 236    | 252    | 335    | 262    | 274              |
| Total Delinquencies as % of New Conditional Sale Originations | 0.77% | 0.40%  | 0.28%  | 0.30%  | 0.26%  | 0.37%  | 0.45%  | 0.73%  | 0.70%  | 0.78%            |

**Used Conditional Sale Originations (£)**

|   | 2008         | 2009         | 2010         | 2011         | 2012         | 2013         | 2014         | 2015          | 2016          | At 31 March 2017 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|------------------|
| <b>Used Conditional Sale Originations</b>                             | 168,378,336  | 284,895,635  | 500,072,625  | 715,625,442  | 758,694,498  | 793,478,581  | 903,041,748  | 1,000,589,611 | 1,036,682,867 | 1,045,184,467    |
| <b>Delinquency Bucket</b>   |              |              |              |              |              |              |              |               |               |                  |
| <b>31-60</b>  | 1,026,096    | 1,709,697    | 2,473,355    | 2,827,367    | 2,582,753    | 2,332,723    | 2,094,502    | 2,868,441     | 2,885,410     | 3,137,564        |
| <b>61-90</b>  | 600,045      | 689,523      | 1,239,315    | 1,450,866    | 1,298,382    | 1,286,824    | 1,236,893    | 1,743,012     | 2,099,798     | 1,821,335        |
| <b>91+</b>  | 1,103,649    | 1,382,964    | 1,696,280    | 2,022,474    | 2,546,759    | 2,621,748    | 2,792,465    | 4,022,012     | 5,800,443     | 6,154,141        |
| <b>Total Delinquencies</b>  | 2,729,791    | 3,782,184    | 5,408,949    | 6,300,707    | 6,427,894    | 6,241,295    | 6,123,861    | 8,633,465     | 10,785,650    | 11,113,041       |
| <b>Total Delinquencies as % of Used Conditional Sale Originations</b> | <b>1.62%</b> | <b>1.33%</b> | <b>1.08%</b> | <b>0.88%</b> | <b>0.85%</b> | <b>0.79%</b> | <b>0.68%</b> | <b>0.86%</b>  | <b>1.04%</b>  | <b>1.06%</b>     |

**Used Conditional Sale Originations (#)**

|   | 2008         | 2009         | 2010         | 2011         | 2012         | 2013         | 2014         | 2015         | 2016         | At 31 March 2017 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------------|
| <b>Used Conditional Sale Originations</b>                             | 33,712       | 54,156       | 93,637       | 131,844      | 145,677      | 149,418      | 154,326      | 160,644      | 161,040      | 161,209          |
| <b>Delinquency Bucket</b>   |              |              |              |              |              |              |              |              |              |                  |
| <b>31-60</b>  | 173          | 290          | 441          | 490          | 548          | 474          | 409          | 448          | 429          | 455              |
| <b>61-90</b>  | 99           | 131          | 213          | 264          | 286          | 272          | 258          | 278          | 293          | 286              |
| <b>91+</b>  | 180          | 243          | 289          | 379          | 465          | 527          | 572          | 636          | 750          | 779              |
| <b>Total Delinquencies</b>  | 452          | 664          | 943          | 1,133        | 1,299        | 1,273        | 1,239        | 1,362        | 1,472        | 1,520            |
| <b>Total Delinquencies as % of Used Conditional Sale Originations</b> | <b>1.34%</b> | <b>1.23%</b> | <b>1.01%</b> | <b>0.86%</b> | <b>0.89%</b> | <b>0.85%</b> | <b>0.80%</b> | <b>0.85%</b> | <b>0.91%</b> | <b>0.94%</b>     |

## **CREDIT AND COLLECTION POLICY**

The following is a description of the Credit and Collection Policy which must be complied with in respect to the origination and servicing of the Purchased Receivables and the Related Collateral.

### **1. Credit Policies**

#### **Scoring Module**

SCUK's scorecard cut-off strategy evolves in reaction to business strategy and macro-economic events. SCUK benefits from using a specialist "Decision Sciences" unit at Santander Consumer Finance divisional level (note that SCUK is one of a number of Santander Consumer Finance units within Europe) to assist in internal development of the card. The latest scorecard benefits from increasingly sophisticated credit reference agency data. The scorecard utilises data from Experian Limited, which provides additional background into a customer's credit history.

The scorecard sits within the "Modellica" decision engine, accumulating "points" for a proposal against particular customer characteristics. Characteristics such as loan to value and vehicle age are assessed and combined to create an overall score. In addition, information is taken from credit reference agencies to assess a customer's credit history. The risk professionals in SCUK and at Santander Consumer Finance, S.A. assess what business sits above and below the number of points for a score and "accept" decision. The score is also used to determine the product on which SCUK would like to write the credit risk. SCUK's scorecard is monitored through comparison of actual performance as compared against the development sample used in the building of the scorecard. While SCUK employs a credit scoring model in the application approval process as part of its credit risk control procedure, credit scoring does not eliminate all credit risk. The scorecard performance is monitored closely within the company and reported on a monthly basis within the Retail Risk department and quarterly through the SCUK Risk Committee.

#### **Underwriting**

Retail underwriters structure some of the agreements originated by SCUK individually depending upon the risk profile of the customer, with particular emphasis on the following underwriting criteria: (i) asset type and quality; (ii) future loan to value ratio; (iii) affordability and indebtedness measures; (iv) customer stability; and (v) product. Agreements originated by SCUK generally are approved based upon its credit policy guidelines.

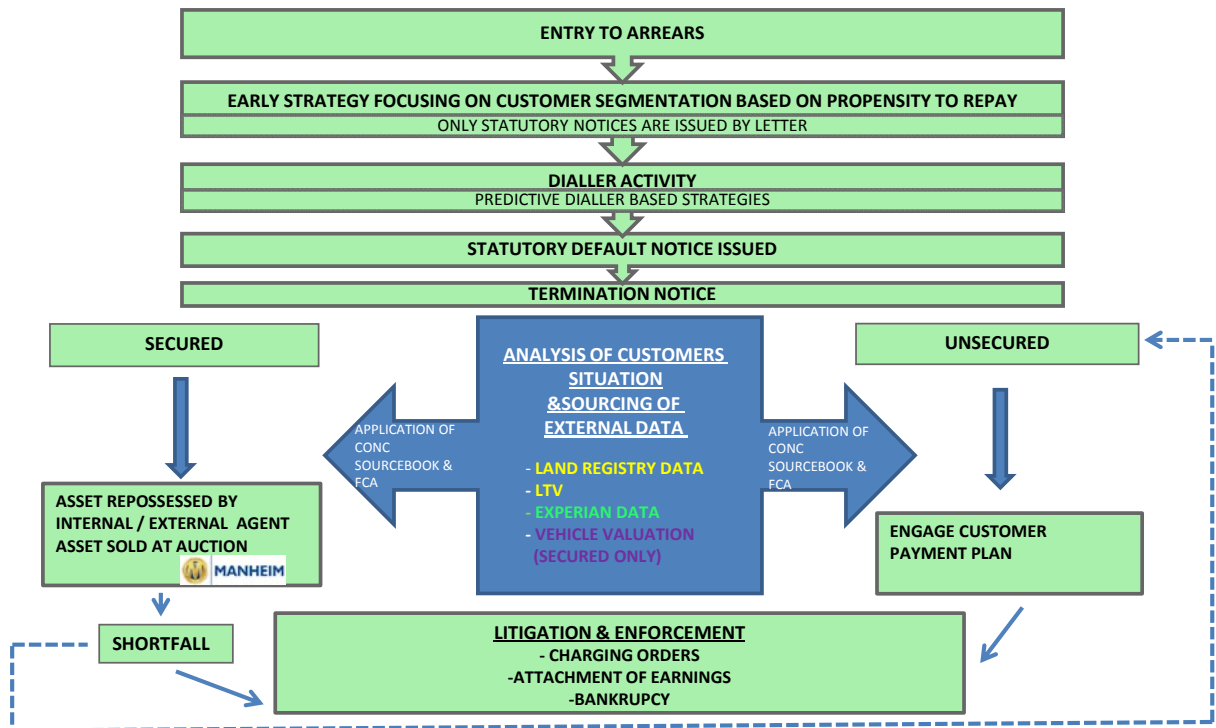
Underwriters are mandated to approve exceptions (policy override) provided rationale is supplied. The Retail Risk department monitors policy overrides on a daily basis and reports them monthly within the Quality Monitoring meeting and the SCUK Risk Committee.

#### **Retail Risk Management**

##### *Overview*

SCUK's Risk department monitors origination activities and portfolio performance and supports senior operations management with respect to the origination of agreements by SCUK.

The SCUK Risk department monitors portfolio performance at a variety of levels including total company, market and manufacturer, introducer and individual agreement. The analysis of the results is the basis for on-going changes to origination strategies. The department also monitors adherence to underwriting guidelines.



### *Arrears Management*

The Collections team manage early stage arrears (being arrears up to around 90 days past due) and late arrears (being arrears more than 90 days past due). Regular training and quality monitoring is undertaken to ensure that the teams are performing to the required standard.

The following types of agreement are also managed within the Arrears Management function albeit that may not necessarily be in arrears at the time of notification:

- Bankruptcy
- Insolvency
- Financial Difficulties
- Vulnerable Customers
- Deceased Customers

## **2. Credit Recoveries Process**

The product type will determine what enforcement options are available and what steps SCUK will go through during its arrears process.

### *2.1 Conditional Sale Agreements and PCP Agreements*

Conditional Sale Agreements and PCP Agreements provide finance for the supply of a financed vehicle by SCUK to the customer. SCUK purchases the financed vehicle from the dealer before SCUK enters into the underlying agreement, and retains title to and a right to take possession of the financed vehicle under the underlying agreement, subject to the rights of the customer.

When an agreement is two instalments in arrears, unless an arrangement is in place with the customer to pay the arrears, a default notice is sent. If there is no response to these letters, a termination letter is sent. If the agreement is under one-third paid, it is passed to an internal Debt Recovery Unit (the **DRU**) for repossession activity, and if it is at least one-third paid, it is passed to the DRU to pursue the customer for the return of the financed vehicle, if appropriate, or for the balance outstanding if the financed vehicle is not worth pursuing.

Prior to legal action, agreements that are at least one-third paid are passed to SCUK's authorised agents to physically call at the customer's address to attempt to obtain a surrender of the financed vehicle, or payment of the arrears, provided the balance is over £500. If the balance is under £500, SCUK can instruct agents to attempt to collect via phone and letter.

## 2.2 *Voluntary Terminations*

In the case of regulated Conditional Sale Agreements and PCP Agreements, the customer has a statutory right to terminate the underlying agreement at any time by written notice, provided that the underlying agreement has not been terminated by SCUK or by payment in full or otherwise. The amount payable by the customer on Voluntary Termination is limited by statute to paying or having paid at least one-half of the total amount payable for the financed vehicle, plus any arrears and damages for breach.

On receipt of the customer's written notice of Voluntary Termination, strict procedures are in place to ensure that the financed vehicle is collected as quickly as possible, and the customer is formally advised of any liability he has. SCUK's recovery agents are then instructed to collect the financed vehicle and deliver it to its preferred auction services supplier, which is currently Manheim Limited, at a designated auction site for sale on SCUK's behalf. Once the net sale proceeds have been received, the agreement is reviewed; if the agreement has zero liability outstanding then the agreement is closed down with any shortfall being written-off. If the customer has an outstanding liability then the recoveries action continues for the outstanding balance.

## THE ISSUER

### Introduction

The Issuer was incorporated and registered in England and Wales under the Companies Act 2006 with limited liability as a public limited company on 12 July 2017 under registered number 10862075 in the name of Motor 2017-1 PLC. The issued share capital of the Issuer comprises 50,000 ordinary shares of £1 each, of which 49,999 shares are partly paid to £0.25 each and one of which is fully paid and all are held by Motor 2017-1 Holdings Limited (**Holdings**). The entire issued share capital of Holdings is held by the Share Trustee under the terms of a discretionary trust constituted by a declaration of trust dated 25 July 2017 (the **Share Declaration of Trust**).

The Issuer was established as a special purpose vehicle for the purposes of issuing the Notes. The Issuer has no subsidiaries. The Seller does not own directly or indirectly any of the share capital of Holdings or the Issuer.

The Issuer's assets following the Closing Date will include:

- (i) the Purchased Receivables and Collections on the Purchased Receivables after the Reference Date immediately preceding the Initial Purchase Date;
- (ii) rights under the Underlying Agreements, including rights to receive any sums payable by Customers on early termination;
- (iii) recoveries under guarantees and proceeds from claims on any insurance policies which form part of the Related Collateral;
- (iv) rights in respect of amounts standing to the credit of the Issuer Accounts; and
- (v) rights under the Swap Agreements and the other Transaction Documents, including those relating to the repurchase of Purchased Receivables that do not meet the Eligibility Criteria.

The Issuer has not engaged, since its incorporation, in any material activities nor commenced operations other than those incidental to its registration as a public company under the Companies Act 2006 and to the proposed issue of the Notes and the authorisation of the other Transaction Documents referred to in this Prospectus to which it is or will be a party and other matters which are incidental or ancillary to the foregoing. The Issuer has no employees.

As at the date of this Prospectus, the Issuer has not commenced operations and no statutory accounts have been prepared or delivered to the Registrar of Companies on behalf of the Issuer. The accounting reference date of the Issuer is 31 December and the first statutory accounts of the Issuer will be drawn up to 31 December 2017. The independent auditor of the Issuer is Deloitte LLP. Deloitte LLP is registered to carry on audit work in the United Kingdom by the Institute of Chartered Accountants in England and Wales.

Under the Corporate Administration Agreement, the Corporate Administrator will provide to the Issuer certain directors and other corporate services for the Issuer in consideration for the payment of an annual fee to the Corporate Administrator.

The Issuer is not, and does not expect to be, required to be registered as an investment company, as defined in Section 3(a)(1) of the Investment Company Act of 1940, as amended, and, although other statutory or regulatory exemptions under the Investment Company Act of 1940, as amended, may be available, is relying on the exemption therefrom set forth in Rule 3a-7 under the Investment Company Act.

## Directors

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

| <b>Name</b>                    | <b>Address</b>                         | <b>Principal Activity</b>             |
|--------------------------------|--|---------------------------------------|
| Vinoy Nursiah                  | 35 Great St. Helen's, London, EC3A 6AP | Director                              |
| Intertrust Directors 1 Limited | 35 Great St. Helen's, London, EC3A 6AP | Director of special purpose companies |
| Intertrust Directors 2 Limited | 35 Great St. Helen's, London, EC3A 6AP | Director of special purpose companies |

The Secretary of the Issuer is Intertrust Corporate Services Limited. Vinoy Nursiah, Intertrust Directors 1 Limited and Intertrust Directors 2 Limited also act as directors of special purpose vehicles other than the Issuer.

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

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

| <b>Name</b>                    | <b>Address</b>                         | <b>Principal Activity</b>             |
|--------------------------------|--|---------------------------------------|
| Vinoy Nursiah                  | 35 Great St. Helen's, London, EC3A 6AP | Director                              |
| Intertrust Directors 1 Limited | 35 Great St. Helen's, London, EC3A 6AP | Director of special purpose companies |
| Intertrust Directors 2 Limited | 35 Great St. Helen's, London, EC3A 6AP | Director of special purpose companies |

The company secretary of Holdings is Intertrust Corporate Services Limited.



## CAPITALISATION AND INDEBTEDNESS STATEMENT

The following table shows the capitalisation and indebtedness of the Issuer as at the date of this document, adjusted for the issue of the Notes and the drawing of the Subordinated Loan Advance under the Subordinated Loan Agreement:

### Share Capital

*Issued*

50,000 Ordinary Shares of £1 each,

1 of which is fully paid up and

49,999 of which are one-quarter paid up ..... £12,500.75

### Borrowings

*Class A1 Notes*..... \$400,000,000

*Class A2 Notes*..... £245,000,000

*Class B Notes*..... £15,000,000

*Class C Note* ..... £36,000,000

*Subordinated Loan Advance* ..... £10,755,954.91

The borrowings disclosed above are secured, but not guaranteed, and the Issuer has no other borrowings, whether secured or unsecured or guaranteed or unguaranteed.

As at the date hereof, save as disclosed above, the Issuer has no loan capital outstanding or created but unissued, no term loans outstanding and no other borrowings or indebtedness in the nature of borrowing nor any contingent liabilities or guarantees.

The current financial period of the Issuer will end on 31 December 2017.

## THE SELLER AND THE SERVICER

Santander Consumer (UK) plc (**SCUK**) is incorporated in England and Wales and commenced trading on 1 August 2005. SCUK is a wholly owned subsidiary of Santander UK plc (**Santander UK**) and Santander UK is a wholly owned subsidiary of Santander UK Group Holdings plc.

SCUK, while treated as part of Santander UK under the UK perimeter rules, is also a member of the Santander Consumer Finance (**SCF**) division of Banco Santander, which comprises 15 country units in Europe. Across Europe, SCF's gross lending was EUR 97 billion as at 30 June 2017. SCUK's share of this lending represented 8 per cent. of SCF's gross lending (Nordics: 15 per cent., Germany: 35 per cent., Poland: 4 per cent., Spain: 13 per cent., Italy: 7 per cent., France: 10 per cent. and other: 8 per cent.).

In the United Kingdom, SCUK has captive relationships with Mazda and Volvo, in addition to joint ventures known as HCUK (Hyundai Capital UK Ltd, comprising the Hyundai and Kia brands) and PSAF (PSA Finance UK Ltd, comprising the Peugeot, Citroen and DS brands). SCUK also has captive relationships with Husqvarna and KTM, who are market specialists in motorcycles. The receivables sold by the Seller to the Issuer will be originated solely by SCUK, with no Purchased Receivables being sourced from either HCUK or PSAF, each of whom maintain their own securitisation programmes.

As at 30 June 2017, SCUK had 565 full-time equivalent employees and was one of the largest independent providers of new motor vehicle point-of-sale finance within the UK. SCUK provides motor finance throughout the United Kingdom, through intermediary relationships with car dealerships, and dealer brokers and the manufacturer relationships described above. As at 30 June 2017, SCUK managed over 405,000 loans with an aggregate outstanding balance of over £3.7 billion, as well as 160,000 loans for its joint venture, HCUK. In addition, SCUK provides wholesale funding to dealers, funding demonstrators and vehicle stock.

### *Market*

The UK new car market comprises two approximately equal-sized segments covering retail (end user) customers and fleet (business) customers. SCUK operates primarily in the retail segment, targeting prime customers, but has a growing presence in the fleet segment through a partnership with a specialist third party. The contract hire business associated with this entry into the fleet market will not form part of any of the receivables sold by the Seller to the Issuer in this Transaction.

UK new car sales reached a peak of 2.7 million units in 2016, partly owing to finance campaigns by manufacturers and the growth in popularity of the personal contract purchase product. SCUK's main involvement in this market is through its captive arrangements with Mazda and Volvo, plus the HCUK and PSAF joint ventures referred to above.

SCUK is a major independent originator within the UK auto finance industry. The SCUK group (comprising SCUK and its joint ventures) is currently the market leader for new car units originated and third-in-market for used car units originated.

### *Products*

SCUK offers a standard suite of secured and unsecured finance products comprising fixed sum loan, conditional sale, personal contract purchase and fixed sum loan with a guaranteed future value.

Conditional sale and personal contract purchase products allow customers the right to 'voluntarily terminate' their agreement in accordance with their rights under the CCA, such that, subject to the returning condition of the car, once 50 per cent. of the total amount of finance has been repaid (including interest and fees) the customer can return the car to SCUK with nothing further to pay.

Voluntary termination risk is managed largely at the point of origination by SCUK through the underwriting process and the product by which finance is provided, with fixed sum loans being offered instead of a secured agreement that has a voluntary termination option.

In the twelve months period ending 30 June 2017, approximately 16 per cent. of retail business underwritten by SCUK was written as unsecured. Voluntary termination losses on SCUK's Motor 2015-1 securitisation from March 2015 totalled £2,328,903.62 as of 30 June 2017, which is an average of £1,945.62 per loan, which is consistent with the average losses realised across SCUK's entire balance sheet. Losses arising from both voluntary termination and default for secured lending will be largely influenced by the price received at auction on disposal of vehicles recovered by SCUK, for which on average has been consistently above 90 per cent. of CAP for vehicles sold by SCUK in the twelve months period ending 30 June 2017.

Losses due to voluntary termination on the Motor 2015-1 securitisation have been 38.76 per cent. of total losses over the twelve months period ending 30 June 2017, with handback losses on PCPs being 2.69 per cent. of total loss. Residual value risk is retained by the Seller in this Transaction, so losses will be constrained to default and voluntary termination losses only.

### ***Balance Sheet***

SCUK's balance sheet has grown year on year since 2005, with new business levels exceeding £1 billion per annum in each of 2009, 2010 and 2011, before increasing to over £1.5 billion in 2012. New business levels have remained at over £1.5 billion in 2013, 2014, 2015 and 2016.

SCUK's lending portfolio was £3.7 billion as at 31 December 2016, comprised of both retail lending to end user customers (£3.25 billion) and wholesale lending to dealer partners (£0.45 billion).

The SCUK group portfolio contains both SCUK and PSAF balances (since HCUK balances are treated on an equity basis), totalling £6.79 billion: retail lending totals £5.54 billion and wholesale lending totals £1.26 billion.

The business benefitted from the acquisition in 2009 of the GE Money Auto business, through organic growth, and as a result of forming strategic partnerships with manufacturer partners. The addition of the PSAF Joint Venture in 2015 contributed to the rise in new business to £3 billion from that year for the consolidated SCUK group.

### ***Financial Performance***

The SCUK group comprises SCUK, an equity share of the joint venture with HCUK and fully consolidates the results of the PSAF joint venture.

SCUK delivered £88 million of net attributable profit for the year ending 31 December 2016, representing a 16 per cent. increase from the year ending 31 December 2015, and contributing 6.67 per cent. of the Santander UK results into which it is consolidated.

The group produced £114.39 million of net attributable profit for the year ending 31 December 2016, representing a 4 per cent. increase from the year ending 31 December 2015, and contributing 8.67 per cent. of the Santander UK results into which it is consolidated.

For the year ending 31 December 2016, the SCUK group earned a net interest margin of 4.16 per cent., over the same period the cost to income ratio was 29.65 per cent. which is a key indicator of performance within Banco Santander. NPLs (Non-Performing Loans) were 0.47 per cent. Overall, the group produced a pre-tax ROA of 2.48 per cent. in 2016 and has maintained a consistent performance against budget in the years since its launch as a new company in 2005.

### ***Funding***

SCUK benefits from long and short term intercompany funding from Santander UK. SCUK also uses securitisation as a regular means to diversify its funding sources, and targets at least one securitisation transaction per year. SCUK has been engaged in securitisation since 2011 and currently 19 per cent. of its funding requirements are through external funding from public and private securitisations.

As at 30 June 2017, SCUK's total borrowings were £7,025 million (including approximately £5,623 million of intercompany funding, £171 million of funding raised through the Motor 2015-1 securitisation, £150 million raised through a private bilateral securitisation and £300 million of funding raised through the Motor 2016-1 securitisation).

SCUK's balance sheet as at 30 June 2017 included £150 million of share capital and £488 million of retained reserves.

### ***New Business, Operations and Regulatory Oversight***

All servicing and processing in connection with the Transaction will be performed by SCUK as Servicer. SCUK will be responsible for, among other things, billing, collecting, accounting and posting all payments received with respect to the Purchased Receivables, responding to Customer and any guarantor enquiries, taking steps to maintain title to the Financed Vehicles and rights to other Related Collateral, coordinating the sale of repossessed vehicles, and generally monitoring each Purchased Receivable and its Related Collateral.

The operational activity comprises new business, customer services and collections call centres based at the company head off in Redhill, Surrey, with headcount totalling 565 people as at 30 June 2017.

SCUK originates its retail business through an admission scorecard that combines information from an external bureau (Experian) with business rules derived from internal experience from past cohort vintages. The rules applied in the underwriting process allow the bulk of SCUK's business to be automatically underwritten. SCUK also has a specific underwriting team of 26 individuals with over 150 years of experience working in SCUK and 45 years of underwriting experience outside of Santander. For the twelve months ending 30 June 2017, SCUK used automatic decisions to underwrite 75.69 per cent. of its business, with 23.97 per cent. referred to its underwriting department and 0.35 per cent. referred to its fraud team. Of proposals received in the twelve months ending 30 June 2017, the acceptance rate for new business proposals received was 60.29 per cent., with an actual fund rate over the same period of 43.18 per cent.

The new business team within SCUK is supported by dedicated customer services teams and a regulatory control team which ensures that customer interactions adhere to regulatory requirements. The new business team also ensure that all intermediaries have the appropriate FCA authorisation.

### ***Risk and Underwriting***

SCUK's scorecard evaluates proposals, providing an initial filter of those customers who are not credit-worthy and hence auto declined. Auto declines accounted for 30.25 per cent. of proposals received in the twelve months ending 30 June 2017. Incepted business reflects the prime nature of the target customer group, with high credit scores consistently maintained over time.

Within the UK there is no system analogous to the FICO system in the United States, but SCUK maintains its own measures of credit scores which have remained at consistent levels over the twelve months ending 30 June 2017. SCUK actively tracks the credit scores of its proposed and funded business, and in the twelve months ending 30 June 2017 the average credit score for proposed business was 253 and for funded business was 283. The boundaries for credit scoring within SCUK are bracketed within 5 bands as set out below:

| <b>Band</b>   | <b>Boundary</b> | <b>Proposed Business 12 Months to June 2017</b> | <b>Funded Business 12 Months to June 2017</b> |
|---------------|-----------------|---|---|
| <b>Band 5</b> | <205            | 14.5%   | 0.2%  |
| <b>Band 4</b> | 205-229         | 20.8%   | 7.9%  |

|                   |         |       |       |
|-------------------|---------|-------|-------|
| <b>Band 3</b>     | 230-259 | 22.9% | 23.0% |
| <b>Band 2</b>     | 260-299 | 19.7% | 31.7% |
| <b>Band 1</b>     | 300+    | 18.1% | 33.5% |
| <b>Non-Scored</b> |         | 4.1%  | 3.7%  |

A further output from SCUK's scorecard is the 18 month Probability of Default (**PD**), which averaged 1.72 per cent. in the twelve months ending 30 June 2017. PD, as with other metrics, is measured on a monthly basis at SCUK's risk committee, which is attended by several members of the SCUK management team as well as a representative from Santander UK's credit function.

### *Collections and Recovery*

SCUK is regulated by the FCA and the SCUK business aims to ensure that the customer is treated fairly in all stages of their interaction with SCUK. This is particularly the case when dealing with vulnerable customers, including those experiencing financial difficulty, and the use of forbearance may be used by SCUK to allow customers to enter into repayment plans where circumstances require such an approach. The collections process followed is designed to comply with all statutory requirements but will always seek to recognise unique customer circumstances.

Customers in arrears and those that ultimately default form part of a number of performance metrics that are also monitored by SCUK and are formally reported at SCUK's risk committee on a monthly basis. One such metric is 'Moroso' cases, i.e. those being greater than three installments in arrears or economically doubtful. In the twelve months ending 30 June 2017, Moroso cases across the portfolio averaged 0.8 per cent., with 0.85 per cent. of cases being classified as Moroso as at 30 June 2017, which represents a 0.13 per cent. rise compared to the twelve months ending 30 June 2016.

New business default over in the twelve months ending 30 June 2017 increased by 0.1 per cent., from 0.28 per cent. as at 30 June 2016 to 0.38 per cent. as at 30 June 2017, with new business defaults being classified as the percentage of cases in default (with default classified in this case as greater than 1.25 monthly installments in arrears) or written off that were intercepted between 2 and 7 months ago over all cases incepted in this period.

SCUK's write off portfolio was reduced in the first half of 2017 by a debt sale transaction which remains an alternative to collecting written off debt internally.

## **THE TRUSTEE, THE U.S. REGISTRAR, THE U.S. PAYING AGENT AND THE DTC CUSTODIAN**

U.S. Bank National Association will be appointed pursuant to the Trust Deed and the Deed of Charge as the Trustee for the Noteholders, and pursuant to the Agency Agreement as the U.S. Registrar, U.S. Paying Agent and DTC Custodian.

U.S. Bank National Association, as part of the U.S. Bancorp group and in combination with Elavon Financial Services DAC (the legal entity through which European agency and banking appointments are conducted), is one of the largest corporate trust businesses in the country with office locations in 53 domestic and 3 international cities. The trust will be administered from U.S. Bank's corporate trust office located at One Federal Street, Boston, Massachusetts 02110.

U.S. Bank has provided corporate trust services since 1924. As at 31 March 2017, U.S. Bank was acting as trustee with respect to over 89,000 issuances of securities with an aggregate outstanding principal balance of over \$3.6 trillion. This portfolio includes corporate and municipal bonds, mortgage-backed and asset-backed securities and collateralized debt obligations.

U.S. Bancorp, with total assets exceeding \$450 billion as of March 31, 2017, is the parent company of U.S. Bank, the fifth largest commercial bank in the United States. As of March 31, 2017, U.S. Bancorp served approximately 18 million customers and operated over 3,000 branch offices in 25 states. A network of specialized U.S. Bancorp offices across the nation provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses, and institutions. Visit U.S. Bancorp on the web at [usbank.com](http://usbank.com). That website and the contents thereof do not form part of this Prospectus.

The Trustee's duties are limited to those duties specifically set forth in the Trust Deed and the Deed of Charge. The Trustee meets the applicable eligibility requirements under the Trust Deed and the Deed of Charge, including the requirement that it satisfies the minimum capitalisation and other applicable conditions with respect to trustee eligibility set out in the Investment Company Act.

The U.S. Registrar, U.S. Paying Agent and DTC Custodian's duties are limited to those duties specifically set forth in the Agency Agreement.

The foregoing information regarding the Trustee, the U.S. Registrar, the U.S. Paying Agent and the DTC Custodian under the heading "*The Trustee, the U.S. Registrar, the U.S. Paying Agent and the DTC Custodian*" has been provided by U.S. Bank National Association.

**THE ACCOUNT BANK, THE PRINCIPAL PAYING AGENT, THE AGENT BANK, THE REGISTRAR, THE CALCULATION AGENT AND THE CASH ADMINISTRATOR**

U.S. Bank Global Corporate Trust Services, which is a trading name of Elavon Financial Services DAC (a U.S. Bancorp group company), is an integral part of the worldwide Corporate Trust business of U.S. Bank. U.S. Bank Global Corporate Trust Services in Europe conducts business primarily through the U.K. Branch of Elavon Financial Services DAC from its offices in London at 125 Old Broad Street, Fifth Floor, London EC2N 1AR, United Kingdom.

Elavon Financial Services DAC is a bank incorporated in Ireland and a wholly owned subsidiary of U.S. Bank National Association. Elavon Financial Services DAC is authorised by the Central Bank of Ireland and the activities of its U.K. Branch are also subject to the limited regulation of the U.K. Financial Conduct Authority and Prudential Regulation Authority.

U.S. Bank Global Corporate Trust Services in combination with U.S. Bank National Association, the legal entity through which the Corporate Trust Division conducts business in the United States, is one of the world's largest providers of trustee services with more than \$4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds. The division provides a wide range of trust and agency services such as calculation/paying agent, collateral administration and document custody through its network of 48 U.S.-based offices, an Argentinean office and European offices in London and Dublin.

U.S. Bancorp is the parent company of U.S. Bank Global Corporate Trust Services. For information on U.S. Bancorp, see "*The Trustee, the U.S. Registrar, the U.S. Paying Agent and the DTC Custodian*".

The foregoing information regarding the Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Calculation Agent and the Cash Administrator under the heading "*The Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Calculation Agent and the Cash Administrator*" has been provided by Elavon Financial Services DAC.

## **THE CORPORATE ADMINISTRATOR**

Pursuant to the Corporate Administration Agreement, Intertrust Management Limited will act as corporate administrator in respect of the Issuer and Holdings.

Intertrust Management Limited has its offices at 35 Great St. Helen's, London EC3A 6AP.

The foregoing information regarding the Corporate Administrator under the heading "*The Corporate Administrator*" has been provided by Intertrust Management Limited.



## THE SWAP COUNTERPARTY

Pursuant to the Swap Agreements, Santander UK will be appointed as Swap Counterparty. Santander UK is a public limited company that was incorporated in England and Wales on 12 September 1988 (then called Abbey National plc) under the Companies Act 1985 with registered number 2294747 and is the successor company to which Abbey National Building Society transferred its business in July 1989. The principal executive office and registered office of Santander UK is at 2 Triton Square, Regent's Place, London NW1 3AN. The telephone number of Santander UK is +44 (0) 870 607 6000. Santander UK is a wholly-owned subsidiary of Santander UK Group Holdings plc. Banco Santander, and its subsidiary Santusa Holding, S.L., together hold the entire issued share capital of Santander UK Group Holdings plc.

Santander UK's purpose is to help people and businesses prosper as it seeks to build the best bank in the UK – a bank that is simple, personal and fair.

Santander UK operates four business divisions as follows:

- *Retail Banking.* Retail Banking offers a wide range of products and financial services to individuals and small businesses, through a network of branches and ATMs, as well as through telephone, digital, mobile and intermediary channels. Retail Banking also includes Santander Consumer Finance, predominantly a vehicle finance business. Santander UK's main products are residential mortgage loans, savings and current accounts, credit cards and personal loans as well as insurance policies.
- *Commercial Banking.* Commercial Banking offers a wide range of products and financial services to customers through a network of regional Corporate Business Centres and through telephony and digital channels. The management of Santander UK's customers is organised across two relationship teams - the Regional Corporate Bank that covers trading businesses with annual turnover from £6.5m to £500m and Specialist Sector Groups that cover real estate, housing finance, education, healthcare, and hotels. Commercial Banking products and services include loans, bank accounts, deposits, treasury services, invoice discounting, cash transmission, trade finance and asset finance.
- *Global Corporate Banking.* Global Corporate Banking services corporate clients with annual turnover of £500 million and above and financial institutions, as well as supporting the rest of Santander UK's business segments. Global Corporate Banking clients require specially tailored solutions and value-added services due to their size, complexity and sophistication. Santander UK provides these clients with products to manage currency fluctuations, protect against interest rate risk, and arrange capital markets finance and specialist trade finance solutions.
- *Corporate Centre.* Corporate Centre predominantly consists of the non-core corporate and treasury legacy portfolios. Corporate Centre is also responsible for managing capital and funding, balance sheet composition and structure and strategic liquidity risk. The non-core corporate and treasury legacy portfolios include aviation, shipping, infrastructure, commercial mortgages, social housing loans and structured credit assets, all of which are being run-down and/or managed for value.

As at the date of this Prospectus, the long-term obligations of Santander UK are rated A by S&P and Aa3 by Moody's, and the short-term obligations of Santander UK are rated A-1 by S&P and P-1 by Moody's.

The foregoing information regarding the Swap Counterparty under the heading "The Swap Counterparty" has been provided by Santander UK.

## USE OF PROCEEDS

The gross proceeds of the issue of the Notes are expected to amount to £598,800,908.40 (after, on the Closing Date, exchanging the gross Dollar proceeds of the Class A1 Notes for Sterling proceeds under the Class A1 Swap) and will be used to finance the purchase by the Issuer of the Initial Portfolio under the Receivables Sale Agreement.

The Subordinated Loan Advance drawn under the Subordinated Loan Agreement on the Closing Date will be applied towards funding (i) the Required Reserve Amount which will be deposited in the Sterling Account and used to capitalise the Reserve Fund as described in the section entitled “*Credit Structure—Reserve Fund*” and (ii) certain expenses relating to the issue of the Notes by the Issuer.

## UNITED KINGDOM TAXATION

**The following discussion is a summary of the United Kingdom withholding tax treatment as at the date hereof of interest paid in respect of the Notes. It does not deal with any other United Kingdom tax consequences of acquiring, holding or disposing of the Notes. It describes consequences for persons who are absolute beneficial owners of the Notes based on current United Kingdom law and published HMRC practice as at the date of this Prospectus. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. It is a general guide and should be treated with appropriate caution. It is not intended as tax advice, and it does not describe all of the tax considerations that may be relevant to a prospective purchaser.**

EACH PROSPECTIVE PURCHASER IS URGED TO CONSULT ITS OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES HAVING REGARD TO ITS CIRCUMSTANCES OF PURCHASING, HOLDING AND SELLING THE NOTES UNDER THE LAWS OF THE UNITED KINGDOM, ITS POLITICAL SUBDIVISIONS AND ANY OTHER JURISDICTIONS WHERE THE PROSPECTIVE PURCHASER MAY BE SUBJECT TO TAX.

The references to “interest” in this summary of the United Kingdom withholding tax position mean “interest” as understood in United Kingdom tax law. The statements in this summary do not take any account of any different definitions of “interest” which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.

**Substitution of another corporate entity in place of the Issuer as principal debtor on the Notes (as described in Condition 11 (*Substitution of the Issuer*)) may give rise to different withholding tax consequences to those described below.**

### *Withholding Tax*

The Notes will constitute “quoted Eurobonds” within the meaning of section 987 of the Income Tax Act 2007 provided they carry a right to interest and are and continue to be listed on a “recognised stock exchange” within the meaning of section 1005 of the Income Tax Act 2007. The Irish Stock Exchange is 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 Irish Stock Exchange. Provided the Notes remain so listed payments of interest on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

In other cases, and subject to the availability of another exemption, an amount must generally be withheld from payments of interest on the Notes that have 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).

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

## UNITED STATES TAXATION

The following is a general summary of certain material U.S. federal income tax consequences that may be relevant with respect to the purchase, ownership and disposition of the Rule 144A Notes. In general, the discussion assumes that a holder acquires the Rule 144A Notes at original issuance and holds the Rule 144A Notes as capital assets for U.S. federal income tax purposes. It does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase the Notes. In particular, it does not discuss special tax considerations that may apply to certain types of taxpayers, including, without limitation, the following: (i) financial institutions; (ii) insurance companies; (iii) dealers or traders in stocks, securities, notional principal contracts or currencies; (iv) tax-exempt entities; (v) regulated investment companies; (vi) real estate investment trusts; (vii) persons that will hold the Rule 144A Notes as part of a “hedging” or “conversion” transaction or as a position in a “straddle” for U.S. federal income tax purposes; (viii) persons that own (or are deemed to own) 10 per cent. or more of the voting shares of the Issuer; (ix) partnerships, pass-through entities or persons who hold Rule 144A Notes through partnerships or other pass-through entities; (x) U.S. Holders (as defined below) that have a “functional currency” other than the Dollar; and (xi) certain U.S. expatriates and former long-term residents of the United States. This discussion also does not address alternative minimum tax or the Medicare contribution tax on net investment income consequences or the indirect effects on the holders of equity interests in a holder of Rule 144A Notes, nor does it describe any tax consequences arising under the laws of any taxing jurisdiction other than the U.S. federal government.

The following summary is based on the provisions of the Internal Revenue Code of 1986, as amended (the **Code**), applicable U.S. Treasury Regulations, judicial authority and administrative rulings and practices, in effect on the date of this offering, any of which may be appealed, revoked or otherwise altered with retroactive effect, thereby changing the U.S. federal income tax consequences discussed below. There is no assurance that the IRS will not take a contrary view, and no ruling from the IRS has been or will be sought.

As used herein, the term **U.S. Holder** means a beneficial owner of a Rule 144A Note that is for U.S. federal income tax purposes:

- (i) a citizen or resident of the United States,
- (ii) a corporation created or organised under the laws of the United States or any political subdivision thereof,
- (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source,
- (iv) a trust, if both:
  - a court within the United States is able to exercise primary jurisdiction over the administration of the trust, and
  - one or more United States persons have the authority to control all substantial decisions of the trust, or
- (v) a trust in existence on 20 August 1996, and treated as a United States person prior to such date, that has elected to continue to be treated as a United States person.

A **non-U.S. Holder** is a beneficial owner of a Rule 144A Note that is not a U.S. Holder. If a partnership (including an entity treated as a partnership for U.S. federal income tax purposes) holds a Rule 144A Note, the U.S. federal income tax treatment of a partner in such partnership generally will depend upon the activities of the partnership and the status of the partner. Therefore, partners in a partnership holding a Rule 144A Note should consult their own tax advisers regarding the U.S. federal income tax consequences to such partners of the acquisition, ownership and disposition of the Rule 144A Note by such partnership.

## **Treatment of Rule 144A Notes**

The Issuer will treat the Rule 144A Notes as indebtedness of the Issuer for U.S. federal income tax purposes. Each U.S. Holder of a Rule 144A Note, by acceptance of such Rule 144A Note, will agree to treat such Rule 144A Note as indebtedness of the Issuer for U.S. federal income tax purposes. Although the matter is not free from doubt due to a lack of authority addressing the organisation of securities with terms similar to the Rule 144A Notes, Allen & Overy LLP (**Special U.S. Tax Counsel**) is of the opinion that the Rule 144A Notes will, when issued, be treated as indebtedness of the Issuer for U.S. federal income tax purposes. The opinion of Special U.S. Tax Counsel is not binding on the IRS, and no assurance can be given that the characterisation of the Rule 144A Notes as indebtedness of the Issuer will prevail if the issue were challenged by the IRS. If the Rule 144A Notes were treated as equity in, rather than indebtedness of, the Issuer, a U.S. Holder would be subject to U.S. federal income tax consequences that differ from those specified herein. Prospective U.S. Holders of the Rule 144A Notes should consult with their own tax advisers as to the effect of a recharacterisation of the Rule 144A Notes as equity interests in the Issuer. The remainder of this discussion assumes the Rule 144A Notes will be treated as indebtedness of the Issuer for U.S. federal income tax purposes.

## **Taxation of U.S. Holders of the Rule 144A Notes**

### *Interest on the Rule 144A Notes*

Interest on a Rule 144A Note will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, in accordance with the holder's method of accounting for tax purposes. Interest paid by the Issuer on a Rule 144A Note will generally constitute income from sources outside the United States.

If an interest payment is denominated in a currency other than Dollars (a **foreign currency**), the amount of income realised by a cash basis U.S. Holder will be the Dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into Dollars.

An accrual basis U.S. Holder may determine the amount of income realised with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, with respect to an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year).

Under the second method, the U.S. Holder may make an election to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year. Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into Dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or other disposition of a Rule 144A Note) denominated in a foreign currency, an accrual basis U.S. Holder will recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference, if any, between the amount received (translated into Dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into Dollars.

### *Sale and Retirement*

In general, a U.S. Holder of a Rule 144A Note will have a basis in a Rule 144A Note equal to the cost of the Note to such holder. A U.S. Holder's basis in a Rule 144A Note denominated in a foreign currency will be

determined by reference to the Dollar cost of the Rule 144A Note. The Dollar cost of an Rule 144A Note purchased with a foreign currency will generally be the Dollar value of the purchase price on the date of purchase (or, in the case of Rule 144A Notes traded on an established securities market, as defined in the applicable U.S. Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase).

Upon a sale, exchange or retirement of the Rule 144A Note, a U.S. Holder will generally recognise gain or loss equal to the difference between the amount realised on the sale, exchange or retirement (less any accrued interest, which would be taxable as such) and the holder's tax basis in the Note. The amount realised on a sale or other disposition for an amount in foreign currency will be the Dollar value of this amount on the date of sale or other disposition or, in the case of Rule 144A Notes traded on an established securities market, as defined in the applicable U.S. Treasury Regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. holder that so elects), on the settlement date for the sale. Such an election by an accrual basis U.S. holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

Except as discussed below with respect to foreign currency gain or loss, gain or loss recognised on the sale or other disposition of a Rule 144A Note will be treated as U.S. source gain or loss and will be treated as long-term capital gain or loss if the U.S. Holder has held the Note for more than one year at the time of disposition. **Prospective investors are encouraged to consult their own tax advisers regarding the treatment of capital gains (which may be taxed at lower rates than ordinary income for taxpayers who are individuals, trusts or estates that hold the Rule 144A Notes for more than one year) and capital losses (the deductibility of which is subject to limitations) for them as a consequence of an investment in the Rule 144A Notes.**

Gain or loss recognised by a U.S. Holder on the sale or other disposition of a Rule 144A Note that is attributable to changes in exchange rates will be treated as U.S. source ordinary income or loss. However, exchange gain or loss is taken into account only to the extent of total gain or loss realised on the transaction.

#### **Taxation of non-U.S. Holders of the Rule 144A Notes**

Subject to the FATCA and backup withholding rules discussed below, a non-U.S. Holder generally should not be subject to U.S. federal income or withholding tax on any payments on a Rule 144A Note and gain from the sale, redemption or other disposition of a Rule 144A Note unless: (i) that payment and/or gain is effectively connected with the conduct by that non-U.S. Holder of a trade or business in the United States; (ii) in the case of any gain realised on the sale or exchange of a Rule 144A Note by an individual non-U.S. Holder, that holder is present in the United States for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met; or (iii) the non-U.S. Holder is subject to tax pursuant to provisions of the Code applicable to certain expatriates. **Non-U.S. Holders are encouraged to consult their own tax advisers regarding the U.S. federal income and other tax consequences to them of owning Notes.**

#### **Reportable Transactions and Foreign Currency Denominated Notes**

A U.S. Holder that participates in a "reportable transaction" within the meaning of applicable U.S. Treasury Regulations will be required to disclose its participation in such transactions to the IRS. The scope and application of these rules is not entirely clear. A U.S. Holder may be required to treat a sale, exchange, retirement or other taxable disposition of a Rule 144A Note that is denominated in a foreign currency as a reportable transaction if such sale or disposition results in a loss that exceeds certain thresholds in a single taxable year and other specified conditions are met. **Investors are encouraged to consult with their own tax advisers to determine the tax return obligations, if any, with respect to an investment in the Rule 144A Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Statement).**

## **Information Reporting and Backup Withholding**

A U.S. Holder that is an exempt recipient will not be subject to information reporting requirements. In general, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients.

If a U.S. Holder subject to the information reporting requirement fails to provide the Issuer or its paying agent with a duly completed and executed copy of an IRS Form W-9 or a substantially similar form, or the information on such form, including the U.S. Holder's U.S. taxpayer identification number, is incorrect, or the IRS notifies the Issuer or its paying agent that the U.S. Holder has failed to report or under-reported payments of interest or dividends, the Issuer or its paying agent will be required to withhold a portion of certain payments it makes to the U.S. Holder and pay those amounts to the IRS as a backup against the U.S. Holder's potential U.S. federal income tax liability. Non-U.S. Holders may be required to comply with applicable certification procedures (usually on IRS Form W-8BEN or W-8BEN-E) to establish that they are not U.S. Holders in order to avoid the application of such information reporting requirements and backup withholding. Backup withholding is not an additional tax and will be credited against the U.S. Holder's U.S. federal income tax liability or refunded to the U.S. Holder, provided that the holder timely files a tax return and any required information with the IRS. Prospective purchasers should consult their own tax advisers regarding the applicability of the information reporting and backup withholding rules to them.

Certain U.S. Holders that own "specified foreign financial assets" that meet certain Dollar value thresholds generally are required to file an information report with respect to such assets with their tax returns, currently on Form 8938. The Rule 144A Notes will generally constitute specified foreign financial assets subject to these reporting requirements unless the Rule 144A Notes are held in an account at certain financial institutions. U.S. Holders are urged to consult their tax advisers regarding the application of these disclosure requirements to their ownership of the Rule 144A Notes.

**The above summary is not intended to constitute a complete analysis of all U.S. income tax consequences relating to the acquisition, ownership and disposition of the Rule 144A Notes. Prospective purchasers of the Rule 144A Notes should consult their own tax advisers concerning the tax consequences to them of the acquisition, ownership and disposition of the Rule 144A Notes in light of their particular circumstances under U.S. federal, state, local, foreign and other laws.**

## FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, starting at the earliest on January 1 2019, a “foreign financial institution” may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019 and 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 on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.



## SUBSCRIPTION AND SALE

### Subscription of the Notes

Pursuant to the Subscription Agreement, each of the Managers has agreed, subject to the satisfaction of certain conditions, to subscribe, or to procure subscriptions, for a portion of the Class A Notes (other than the Class A Notes that will be acquired by the Retention Holder). The Issuer has agreed to reimburse the Arranger and the Managers for certain of their expenses in connection with the issue of the Class A Notes.

In the Subscription Agreement, the Issuer has made certain representations and warranties in respect of its legal and financial matters.

The Subscription Agreement entitles the Arranger and the Managers to terminate their obligations thereunder in certain circumstances prior to payment of the purchase price of the Class A Notes. The Issuer has agreed to indemnify the Arranger and the Managers against certain liabilities in connection with the offer and sale of the Class A Notes.

Pursuant to the Subscription Agreement, the Retention Holder will represent, warrant and undertake (as applicable) to the Arranger and the Managers:

- (a) to retain, on an ongoing basis, a material net economic interest in the Transaction of not less than 5 per cent. in accordance with the E.U. Risk Retention Requirements (which, in each case, does not take into account any corresponding national measures) and any applicable laws, regulations or rules (whether such rules are made by the Financial Conduct Authority, any of its successor regulators or any other competent authority) which implement the E.U. Risk Retention Requirements into UK law; as at the Closing Date and on each Further Purchase Date, such interest will be comprised of 5 per cent. of the nominal value of each Class of Notes, which constitutes an interest in each class of notes sold or transferred to investors as required by each of the E.U. Risk Retention Requirements;
- (b) to ensure that prospective investors in the Transaction have readily available access to all materially relevant data required to be made available by the Retention Holder pursuant to Article 409 of the Capital Requirements Regulation, subject always to any requirement of law applicable to the Retention Holder, provided that the Retention Holder will not be in breach of such undertaking if it fails to so comply due to events, actions or circumstances beyond the Retention Holder's control; with a view to supporting compliance with the Capital Requirements Regulation, the Retention Holder in its capacity as Servicer will, on a monthly basis, provide relevant information to investors in the form of the Investor Report including data with regard to the Purchased Receivables and an overview of the retention of the material net economic interest together with any changes in the method of retention of the material net economic interest by the Retention Holder; and the Issuer will appoint the Cash Administrator to, among other things, make each Investor Report provided to it by the Servicer publicly available on its website ([www.usbank.com/abs](http://www.usbank.com/abs)) without undue delay;
- (c) to not change the manner or form in which it retains such net economic interest, except to the extent permitted or required under the E.U. Risk Retention Requirements, with any such change being notified to Noteholders in accordance with the Conditions;
- (d) to not sell, hedge or otherwise enter into any credit risk mitigation, short position or other hedge with respect to such net economic interest, except to the extent permitted or required under the E.U. Risk Retention Requirements;
- (e) to promptly notify the Arranger, the Managers, the Issuer and the Trustee if for any reason it  
(i) ceases to hold the retention in accordance with the requirements of the Subscription

Agreement or (ii) fails to comply with the covenants set out in the Subscription Agreement in respect of the retention;

- (f) it satisfies the definition of "sponsor" as set out in the U.S. Credit Risk Retention Rules and it is the appropriate entity to fulfil the legal requirements imposed on the "sponsor of a securitization transaction" in accordance with the U.S. Credit Risk Retention Rules;
- (g) it is thereby acknowledged and agreed by the parties thereto that none of the Managers accepts any liability or responsibility for such designation of Santander Consumer (UK) plc as the "sponsor";
- (h) it will comply with all legal requirements imposed on the "sponsor of a securitization transaction" in accordance with the U.S. Credit Risk Retention Rules;
- (i) the Retention Holder or a majority-owned affiliate (as such term is defined in Capital Requirements Regulation Rule 2) will acquire and retain an eligible vertical interest in the credit risk of the Transaction in accordance with the U.S. Credit Risk Retention Rules for the duration required in the U.S. Credit Risk Retention Rules, which interest will consist of an amount equal to no less than 5 per cent. of the nominal value of each Class of Notes (the **Retained Interest**) and it will not engage in any activities that would constitute impermissible hedging, transfer or pledging of the Retained Interest as prohibited by the U.S. Credit Risk Retention Rules; and
- (j) the Retention Holder will be solely responsible for compliance with the disclosure requirements of the U.S. Credit Risk Retention Rules (without any action or participation by the Managers), including any disclosure required after the Closing Date pursuant to the U.S. Credit Risk Retention Rules.

In addition, pursuant to the Subscription Agreement, SCUK represents, warrants and undertakes to the Arranger and the Managers that it will subscribe for, hold and retain (either directly or through an affiliate), for as long as any Class of Notes is outstanding, 100 per cent. of the Class C Note in order to comply with the exemption from registration under the Investment Company Act under Rule 3a-7 thereunder.

## **Selling Restrictions**

*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.*

### *United States of America and its Territories*

Each of the Managers has acknowledged in the Subscription Agreement, that the Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and therefore may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons except, with respect to the Rule 144A Notes only, to persons that are QIBs in reliance on Rule 144A or, pursuant to any other exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state or federal securities laws. In addition, the Notes cannot be resold in the United States or to U.S. persons unless they are subsequently registered or an exemption from registration is available.

In connection with any Reg S Notes, each Manager has agreed that with respect to the relevant Reg S Notes for which it has subscribed that it will not offer, sell or deliver the Reg S Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Reg S Notes and the Closing Date (the **Distribution Compliance Period**) within the United States or to, or for the account or benefit of, U.S. persons, except in accordance with Rule 903 or 904 of Regulation S. Each

Manager has further agreed that it will have sent to each affiliate or person receiving a selling commission, fee or other remuneration that purchases Reg S Notes from it during the Distribution Compliance Period (other than resales pursuant to Rule 144A) a confirmation or other notice setting forth the restrictions on offers and sales of the Reg S Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until the expiration of the Distribution Compliance Period, an offer or sale of the Notes within the United States by any Manager (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in compliance with Rule 144A or pursuant to another exemption from the registration requirements under the Securities Act.

The Managers may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Notes within the United States only to QIBs in reliance on Rule 144A and each purchaser of Notes is hereby notified that the Managers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Rule 144A Notes which may be purchased by a QIB pursuant to Rule 144A is \$250,000 (or the approximate equivalent thereof in any other currency). To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are “restricted securities” within the meaning of the Securities Act, the Issuer has undertaken to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Notes remain outstanding as restricted securities within the meaning of Rule 144(a)(3) of the Securities Act and the Issuer is neither a reporting company under Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States and for the resale of the Notes in the United States. The Issuer and the Managers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Prospectus does not constitute an offer to any person in the United States or to any U.S. person, other than any QIB within the meaning of Rule 144A to whom an offer has been made directly by a Manager or its U.S. broker-dealer affiliate. Distribution of this Prospectus by any non-U.S. person outside the United States or by any QIB in the United States to any U.S. person or to any other person within the United States, other than any QIB and those persons, if any, retained to advise such non-U.S. person or QIB with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, other than any QIB and those persons, if any, retained to advise such non-U.S. person or QIB, is prohibited.

Each Manager has acknowledged that Reg S Notes and the Class C Note may not be purchased or held by any Benefit Plan Investor and each purchaser of any such Note will be deemed to have represented, warranted and agreed that it is not, and for so long as it holds such Note will not be, such a Benefit Plan Investor.

### ***United Kingdom***

Each of the Managers has represented, warranted and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the 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
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

As used herein, **United Kingdom** means the United Kingdom of Great Britain and Northern Ireland.

## *Ireland*

Each of the Managers has represented, warranted and agreed that, to the extent applicable:

- (i) it will not underwrite the issue of, or place, the Notes otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (No's 1 to 3), as amended, including, without limitation, Parts 6, 7, and 12 thereof and any codes of conduct issued in connection therewith, and the provisions of the Investor Compensation Act 1998 and the Investment Intermediaries Act 1995, as amended, and it will conduct itself in accordance with any codes and rules of conduct, conditions, requirements and any other enactment imposed or approved by the Central Bank with respect to anything done by it in relation to the Notes;
- (ii) it will not underwrite the issue of, or place, the Notes otherwise than in conformity with the provisions of the Central Bank Acts 1942-2015, as amended, any codes of conduct, rules made under Section 117(1) of the Central Bank Act 1989 and any regulations issued pursuant to Part 8 of the Central Bank (Supervision and Enforcement) Act 2013, as amended;
- (iii) it will not underwrite the issue of, or place, or do anything in respect of the Notes otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005, as amended, and any rules issued under Section 1363 of the Companies Act 2014, as amended, by the Central Bank;
- (iv) it will not underwrite the issue of, or place, or do anything in respect of the Notes otherwise than in compliance with the provisions of (A) the Market Abuse Regulation (Regulation EU 596/2014); (B) the Market Abuse Directive on criminal sanctions for market abuse (Directive 2014/57/EU); (C) the European Union (Market Abuse) Regulations 2016 (S.I. No. 349 of 2016), as amended; and (D) any rules issued by the Central Bank pursuant thereto and/or under Section 1370 of the Companies Act 2014, as amended; and
- (v) to the extent applicable, it has complied with, and it will not underwrite the issue of, or place, or do anything in respect of the Notes otherwise than in compliance with the provisions of Companies Act 2014, as amended.

### ***Public Offer Selling Restrictions under the Prospectus Directive***

In relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State 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:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) 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 relevant dealer or dealers nominated by the Issuer for any such offer; or
- (iii) 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 paragraphs (i) to (iii) above shall require the Issuer or any 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 for 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/E.

### ***General***

All applicable laws and regulations must be observed in any jurisdiction in which Notes may be offered, sold or delivered. Each of the Managers has agreed that it will not offer, sell or deliver any of the Notes, directly or indirectly, or distribute this Prospectus or any other offering material relating to the Notes, in or from any jurisdiction (including, as stated in “*Important Notices*”, to a retail investor (as defined in “*Important Notices*”)) except under circumstances that will result in compliance with the applicable laws and regulations thereof and that will not impose any obligations on the Issuer except as set out in the Subscription Agreement.

### ***Affiliations and related transactions***

SCUK, as Seller, Servicer and Subordinated Loan Provider, Santander UK plc as Transaction Account Bank and Santander Investment Securities Inc., as a Manager are affiliates and direct or indirect subsidiaries of Banco Santander, which acts as the Arranger and a Manager. Banco Santander is not a broker-dealer registered with the SEC and therefore may not make sales of any securities in the United States or to U.S. persons except in compliance with applicable U.S. laws and regulations. Any offers and sales into the United States by Banco Santander will only be made through Santander Investment Securities Inc. or one or more U.S. registered broker-dealers, or otherwise as permitted by applicable U.S. law.

The Trustee and the Cash Administrator are not affiliates of any of the foregoing parties.

## TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers of the Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States or any other relevant jurisdiction and accordingly, may not be reoffered, resold, pledged or otherwise transferred except in accordance with the restrictions described below. Neither the Issuer nor any other person is required to so register or qualify the Notes or to provide registration rights to any investor therein. The Notes are initially being offered and sold simultaneously in the United States only to QIBs pursuant to Rule 144A, outside the United States to persons other than U.S. persons pursuant to Regulation S, or in transactions otherwise exempt from registration under the Securities Act.

The Notes may not be reoffered, resold, pledged or otherwise transferred except (a) (i) to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction in accordance with Regulation S, and (b) in accordance with all applicable securities laws of any state or other jurisdiction of the United States.

Any offers, sales or deliveries of the Notes in the United States or to U.S. persons by an investor purchasing in an offshore transaction pursuant to Regulation S prior to the date that is 40 days after the later of (i) the commencement of the offering of the Notes and (ii) the Closing Date, may constitute a violation of United States law.

### **Investors' representations and restrictions on resale**

Each purchaser of the Notes (which term for the purposes of this section will be deemed to include any purchaser of beneficial interests in the Notes, including interests represented by a global note and Book-Entry Interests) will be deemed to have represented and agreed as follows:

- (1) (A) in the case of the Rule 144A Global Notes, it is a QIB and is acquiring such Notes for its own account or as a fiduciary or agent for others (which others must also be QIBs) for investment purposes and not for distribution in violation of the Securities Act, it is able to bear the economic risk of an investment in the Rule 144A Notes and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of purchasing the Notes and it is aware, and each beneficial owner of the Notes has been advised, that the sale of such Notes is being made in reliance on Rule 144A; or (B) in the case of the Reg S Global Notes, it is not a "U.S. person" (within the meaning of Regulation S) or an affiliate of the issuer or a person acting on behalf of such an affiliate and is acquiring such Notes for its own account or as a fiduciary or agent for other non-U.S. persons in an offshore transaction (as defined in Regulation S, an **offshore transaction**) pursuant to an exemption from registration provided by Regulation S;
- (2) such Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act and such Notes have not been and will not be registered under the Securities Act or any other applicable U.S. 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 except as set forth below;
- (3) unless it holds an interest in a Reg S Note and either is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date which is one year after the later of the last closing date for the series of Notes and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only (a) to the Issuer or any affiliate thereof, (b) inside the United States to a person whom the Seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (c) outside the United

States in compliance with Rule 903 or Rule 904 under the Securities Act, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws;

- (4) it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (3) above, if then applicable;
- (5) it understands that the Notes offered in reliance on Rule 144A will be represented by the Rule 144A Global Notes. Before any interest in the Rule 144A Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Reg S Global Note, it will be required to provide a transfer agent with a written certification (in the form provided in the Trust Deed) as to compliance with applicable securities laws;
- (6) it also understands that the Notes offered in reliance on Regulation S will be represented by the Reg S Global Notes. Before any interest in the Reg S Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Note, it will be required to provide a transfer agent with a written certification (in the form provided in the Trust Deed) as to compliance with applicable securities laws;
- (7) it understands that the issuer, the registrar, the dealers and their affiliates, and others will rely upon the truth and accuracy of the acknowledgements, representations and agreements contained in this section “*Transfer Restrictions*.” If it is acquiring any Notes for the account of one or more QIBs it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account;
- (8) in the case of the Reg S Notes and the Class C Note, either that (i) it is not, and is not deemed for purposes of ERISA or Section 4975 of the Code to be, and for so long as it holds such Reg S Note or Class C Note (or any interest therein) will not be or be deemed for such purposes to be, a Benefit Plan Investor or an employee benefit plan subject to Similar Law or (ii) it will be an employee benefit plan that is not a Benefit Plan Investor and is subject to Similar Law, and the acquisition, holding and disposition of the Reg S Notes or the Class C Note do not and will not violate any Similar Law. Any purported purchase or transfer of Reg S Notes or Class C Note that do not comply with the foregoing shall be null and void *ab initio*; and
- (9) in the case of the Rule 144A Notes, either (a) it is not and for so long as it holds any such Rule 144A Note or any interest therein will not be (and will not be acting on behalf of) (i) a Benefit Plan Investor, or (ii) any employee benefit plan subject to Similar Law, or (b) its acquisition, holding and disposition of any Rule 144A Note will not constitute or result in a non-exempt prohibited transaction under ERISA, Section 4975 of the Code or, as applicable, in a violation of any Similar Law. In addition, each Benefit Plan Investor who purchases the Rule 144A Notes, or any beneficial interest therein, including any Plan Fiduciary, will be deemed to represent that (i) none of the Transaction Parties has provided or will provide advice with respect to the acquisition of such Rule 144A Notes by the Benefit Plan Investor, other than to the Plan Fiduciary which is independent of the Transaction Parties, and the Plan Fiduciary either: (A) is a bank as defined in Section 202 of the Advisers Act, or similar institution that is regulated and supervised and subject to periodic examination by a State or Federal agency; (B) is an insurance carrier which is qualified under the laws of more than one state to perform the services of managing, acquiring or disposing of assets of a Benefit Plan Investor; (C) is an investment adviser registered under the Advisers Act, or, if not registered as an investment adviser under the Advisers Act by reason of paragraph (1) of Section 203A of the Advisers Act, is registered as an investment adviser under the laws of the state in which it maintains its principal office and place of business; (D) is a broker-dealer registered under the Securities Exchange Act of 1934, as amended; or (E) has, and at all times that the Benefit Plan Investor is invested in such Rule 144A Notes will have, total assets of at least U.S. \$50,000,000 under its management or control (provided that this

paragraph (E) shall not be satisfied if the Plan Fiduciary is either (1) the owner or a relative of the owner of an investing individual retirement account or (2) a participant or beneficiary of the Benefit Plan Investor investing in such Rule 144A Notes in such capacity); (ii) the Plan Fiduciary is capable of evaluating investment risks independently, both in general and with respect to particular transactions and investment strategies, including the acquisition by the Benefit Plan Investor of such Rule 144A Notes; (iii) the Plan Fiduciary is a “fiduciary” with respect to the Benefit Plan Investor within the meaning of Section 3(21) of ERISA, Section 4975 of the Code, or both, and is responsible for exercising independent judgment in evaluating the Benefit Plan Investor’s acquisition of such Rule 144A Notes; (iv) none of the Transaction Parties has exercised any authority to cause the Benefit Plan Investor to invest in such Rule 144A Notes or to negotiate the terms of the Benefit Plan Investor’s investment in such Rule 144A Notes; (v) no fee or other compensation is being paid directly to any of the Transaction Parties or their Affiliates by the Benefit Plan Investor or the Plan Fiduciary for investment advice (as opposed to other services) in connection with the Benefit Plan Investor’s acquisition of the Rule 144 Notes; and (vi) the Plan Fiduciary has been informed by the Transaction Parties: (A) that none of the Transaction Parties is undertaking to provide impartial investment advice or to give advice in a fiduciary capacity, and that no such entity has given investment advice or otherwise made a recommendation, in connection with the Benefit Plan Investor’s acquisition of such Rule 144A Notes; and (B) of the existence and nature of the Transaction Parties financial interests in the Benefit Plan Investor’s acquisition of such Rule 144A Notes.

## Legend

Unless determined otherwise by the Issuer in accordance with applicable law and so long as any series of the Notes is outstanding, a Reg S Global Note will bear a legend substantially as set forth below:

NEITHER THIS NOTE NOR BENEFICIAL INTERESTS HEREIN HAVE BEEN OR WILL BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THE ISSUER HAS NOT BEEN REGISTERED AND DOES NOT INTEND TO REGISTER AS AN **INVESTMENT COMPANY** UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

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, ANY TRANSFER OF THE NOTES MAY ONLY BE MADE: (A) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT (**REGULATION S**); OR (B) TO OR FOR THE ACCOUNT OR BENEFIT OF PERSONS WHO ARE QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (**RULE 144A**)) ANY PURPORTED TRANSFER OF THIS NOTE THAT DOES NOT COMPLY WITH THE FOREGOING REQUIREMENTS SHALL BE NULL AND VOID *AB INITIO*.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF EUROCLEAR OR CLEARSTREAM, LUXEMBOURG TO THE REGISTRAR OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF EUROCLEAR OR CLEARSTREAM, LUXEMBOURG OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF EUROCLEAR OR CLEARSTREAM, LUXEMBOURG OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF EUROCLEAR OR CLEARSTREAM, LUXEMBOURG (AND ANY PAYMENT HEREON IS MADE TO EUROCLEAR OR CLEARSTREAM, LUXEMBOURG OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF EUROCLEAR OR CLEARSTREAM, LUXEMBOURG), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, EUROCLEAR OR CLEARSTREAM, LUXEMBOURG, HAS AN INTEREST HEREIN.



TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF THE COMMON SAFEKEEPER OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN ANY APPLICABLE REGULATIONS.

BY ITS ACQUISITION AND HOLDING OF THIS NOTE, EACH HOLDER OF THIS NOTE OR ANY INTEREST HEREIN WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT (A) IT IS NOT AND FOR SO LONG AS IT HOLDS THIS NOTE WILL NOT BE (AND WILL NOT BE ACTING ON BEHALF OF) (I) AN **EMPLOYEE BENEFIT PLAN** AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**ERISA**) WHICH IS SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF ERISA OR A **PLAN** AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE **CODE**), (II) AN EMPLOYEE BENEFIT PLAN SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (**SIMILAR LAW**), OR (III) AN ENTITY (**PLAN ASSETS ENTITY**) WHOSE UNDERLYING ASSETS ARE DEEMED FOR PURPOSES OF ERISA, SECTION 4975 OF THE CODE, OR ANY SIMILAR LAW TO INCLUDE PLAN ASSETS BY REASON OF SUCH EMPLOYEE BENEFIT PLAN OR PLAN'S INVESTMENT IN THE ENTITY, OR (B) IT WILL BE AN EMPLOYEE BENEFIT PLAN, PLAN OR PLAN ASSETS ENTITY, THAT IS NOT SUBJECT TO ERISA OR SECTION 4975 OF THE CODE AND IS SUBJECT TO SIMILAR LAW, AND THE ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR ANY INTEREST HEREIN DO NOT AND WILL NOT VIOLATE ANY SIMILAR LAW. ANY PURPORTED TRANSFER OF THIS NOTE THAT DOES NOT COMPLY WITH THESE REQUIREMENTS SHALL BE NULL AND VOID AB INITIO.

THE PURCHASER OR ACQUIROR ACKNOWLEDGES THAT THE ISSUER RESERVES THE RIGHT PRIOR TO ANY SALE OR OTHER TRANSFER TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS AND OTHER INFORMATION AS THE ISSUER MAY REASONABLY REQUIRE TO CONFIRM THAT THE PROPOSED SALE OR OTHER TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

THE ISSUER HAS THE RIGHT TO COMPEL ANY HOLDER OF NOTES REPRESENTED BY THIS GLOBAL NOTE OR BENEFICIAL OWNER OF ANY INTEREST THEREIN THAT IS A U.S. PERSON WITHIN THE MEANING OF REGULATION S (OTHER THAN A QUALIFIED INSTITUTIONAL BUYER) TO SELL SUCH NOTES OR INTEREST THEREIN, OR MAY SELL SUCH NOTES OR INTEREST THEREIN ON BEHALF OF SUCH PERSON, AT THE LOWEST OF (X) THE PURCHASE PRICE THEREFOR PAID BY THE NOTEHOLDER OR BENEFICIAL OWNER, AS THE CASE MAY BE, (Y) 100 PER CENT. OF THE PRINCIPAL AMOUNT THEREOF AND (Z) THE FAIR MARKET VALUE THEREOF. IN ADDITION, THE ISSUER HAS THE RIGHT TO REFUSE TO HONOUR A TRANSFER OF NOTES OR ANY INTEREST THEREIN TO A PERSON WHO IS A NOT AN ELIGIBLE TRANSFEREE.

Unless determined otherwise by the Issuer in accordance with applicable law and so long as any series of the Notes is outstanding, a Rule 144A Global Note will bear a legend substantially as set forth below:

NEITHER THIS NOTE NOR BENEFICIAL INTERESTS HEREIN HAVE BEEN OR WILL BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THE ISSUER HAS NOT BEEN REGISTERED AND DOES NOT INTEND TO REGISTER AS AN **INVESTMENT COMPANY** UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

THE HOLDER OF THIS NOTE AGREES FOR THE BENEFIT OF THE ISSUER THAT (A) THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED

INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (II) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 UNDER THE SECURITIES ACT, (III) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (IV) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH OF CASES (I) THROUGH (IV) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN PARAGRAPH (A) ABOVE. ANY PURPORTED TRANSFER OF THIS NOTE THAT DOES NOT COMPLY WITH THE FOREGOING REQUIREMENTS SHALL BE NULL AND VOID *AB INITIO*.

[UNLESS THIS NOTE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY TO THE REGISTRAR OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY OR SUCH OTHER REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF [THE COMMON SAFEKEEPER] [CEDE & CO.] OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN ANY APPLICABLE REGULATIONS.

EACH PURCHASER AND TRANSFEREE OF THIS NOTE OR ANY INTEREST HEREIN, BY ITS ACQUISITION OF THIS NOTE, SHALL BE DEEMED TO REPRESENT, WARRANT AND AGREE THAT EITHER (A) IT IS NOT AND FOR SO LONG AS IT HOLDS THIS NOTE WILL NOT BE (AND WILL NOT BE ACTING ON BEHALF OF) (I) AN **EMPLOYEE BENEFIT PLAN** AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**ERISA**) WHICH IS SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF ERISA OR A **PLAN** AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE **CODE**), (II) AN EMPLOYEE BENEFIT PLAN SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (**SIMILAR LAW**), OR (III) AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED FOR PURPOSES OF ERISA, SECTION 4975 OF THE CODE OR ANY SIMILAR LAW, TO INCLUDE PLAN ASSETS BY REASON OF SUCH EMPLOYEE BENEFIT PLAN OR PLAN'S INVESTMENT IN THE ENTITY, OR (B) THAT (1) AT THE TIME IT ACQUIRES THIS NOTE, IT BELIEVES THAT THIS NOTE IS RATED AT LEAST INVESTMENT GRADE AND IS PROPERLY TREATED AS INDEBTEDNESS WITHOUT SUBSTANTIAL EQUITY FEATURES FOR PURPOSES OF THE PLAN ASSET REGULATIONS (AT 29 C.F.R. 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA)) AND AGREES TO SO TREAT THIS NOTE AND (2) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR ANY INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF ANOTHER EMPLOYEE BENEFIT PLAN SUBJECT TO SIMILAR LAW, IS NOT IN VIOLATION OF ANY SIMILAR LAW). IN ADDITION, BY ITS ACQUISITION AND HOLDING OF THIS NOTE, EACH HOLDER OF THIS NOTE OR ANY INTEREST HEREIN THAT IS A BENEFIT PLAN INVESTOR (AS DEFINED BELOW), INCLUDING

ANY FIDUCIARY PURCHASING THIS NOTE ON BEHALF OF A BENEFIT PLAN INVESTOR (**PLAN FIDUCIARY**) WILL BE DEEMED TO REPRESENT AND WARRANT THAT: (I) NONE OF THE ISSUER, THE TRUSTEE, THE SELLER, THE ARRANGER OR THE MANAGERS OR ANY OTHER PARTY TO THE TRANSACTIONS CONTEMPLATED BY THE PROSPECTUS OR ANY OF THEIR RESPECTIVE AFFILIATED ENTITIES (THE **TRANSACTION PARTIES**) HAS PROVIDED OR WILL PROVIDE ADVICE WITH RESPECT TO THE ACQUISITION OF THIS NOTE BY THE BENEFIT PLAN INVESTOR, OTHER THAN TO THE PLAN FIDUCIARY WHICH IS INDEPENDENT OF THE TRANSACTION PARTIES, AND THE PLAN FIDUCIARY EITHER: (A) IS A BANK AS DEFINED IN SECTION 202 OF THE INVESTMENT ADVISERS ACT OF 1940, AS AMENDED (THE **ADVISERS ACT**), OR SIMILAR INSTITUTION THAT IS REGULATED AND SUPERVISED AND SUBJECT TO PERIODIC EXAMINATION BY A STATE OR FEDERAL AGENCY; (B) IS AN INSURANCE CARRIER WHICH IS QUALIFIED UNDER THE LAWS OF MORE THAN ONE STATE TO PERFORM THE SERVICES OF MANAGING, ACQUIRING OR DISPOSING OF ASSETS OF A BENEFIT PLAN INVESTOR; (C) IS AN INVESTMENT ADVISER REGISTERED UNDER THE ADVISERS ACT, OR, IF NOT REGISTERED AS AN INVESTMENT ADVISER UNDER THE ADVISERS ACT BY REASON OF PARAGRAPH (1) OF SECTION 203A OF THE ADVISERS ACT, IS REGISTERED AS AN INVESTMENT ADVISER UNDER THE LAWS OF THE STATE IN WHICH IT MAINTAINS ITS PRINCIPAL OFFICE AND PLACE OF BUSINESS; (D) IS A BROKER-DEALER REGISTERED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED; OR (E) HAS, AND AT ALL TIMES THAT THE BENEFIT PLAN INVESTOR IS INVESTED IN THE NOTES WILL HAVE, TOTAL ASSETS OF AT LEAST U.S. \$50,000,000 UNDER ITS MANAGEMENT OR CONTROL (PROVIDED THAT THIS PARAGRAPH (E) SHALL NOT BE SATISFIED IF THE PLAN FIDUCIARY IS EITHER (1) THE OWNER OR A RELATIVE OF THE OWNER OF AN INVESTING INDIVIDUAL RETIREMENT ACCOUNT OR (2) A PARTICIPANT OR BENEFICIARY OF THE BENEFIT PLAN INVESTOR INVESTING IN THIS NOTE IN SUCH CAPACITY); (II) THE PLAN FIDUCIARY IS CAPABLE OF EVALUATING INVESTMENT RISKS INDEPENDENTLY, BOTH IN GENERAL AND WITH RESPECT TO PARTICULAR TRANSACTIONS AND INVESTMENT STRATEGIES, INCLUDING THE ACQUISITION BY THE BENEFIT PLAN INVESTOR OF THIS NOTE; (III) THE PLAN FIDUCIARY IS A “FIDUCIARY” WITH RESPECT TO THE BENEFIT PLAN INVESTOR WITHIN THE MEANING OF SECTION 3(21) OF ERISA, SECTION 4975 OF THE CODE, OR BOTH, AND IS RESPONSIBLE FOR EXERCISING INDEPENDENT JUDGMENT IN EVALUATING THE BENEFIT PLAN INVESTOR’S ACQUISITION OF THIS NOTE; (IV) NONE OF THE TRANSACTION PARTIES HAS EXERCISED ANY AUTHORITY TO CAUSE THE BENEFIT PLAN INVESTOR TO INVEST IN THIS NOTE OR TO NEGOTIATE THE TERMS OF THE BENEFIT PLAN INVESTOR’S INVESTMENT IN THIS NOTE; (V) NO FEE OR OTHER COMPENSATION IS BEING PAID DIRECTLY TO ANY OF THE TRANSACTION PARTIES OR THEIR AFFILIATES BY THE BENEFIT PLAN INVESTOR OR THE PLAN FIDUCIARY FOR INVESTMENT ADVICE (AS OPPOSED TO OTHER SERVICES) IN CONNECTION WITH THE BENEFIT PLAN INVESTOR’S ACQUISITION OF THE RULE 144 NOTES; AND (VI) THE PLAN FIDUCIARY HAS BEEN INFORMED BY THE TRANSACTION PARTIES: (A) THAT NONE OF THE TRANSACTION PARTIES IS UNDERTAKING TO PROVIDE IMPARTIAL INVESTMENT ADVICE OR TO GIVE ADVICE IN A FIDUCIARY CAPACITY, AND THAT NO SUCH ENTITY HAS GIVEN INVESTMENT ADVICE OR OTHERWISE MADE A RECOMMENDATION, IN CONNECTION WITH THE BENEFIT PLAN INVESTOR’S ACQUISITION OF THIS NOTE; AND (B) OF THE EXISTENCE AND NATURE OF THE TRANSACTION PARTIES’ FINANCIAL INTERESTS IN THE BENEFIT PLAN INVESTOR’S ACQUISITION OF THIS NOTE. **BENEFIT PLAN INVESTOR** MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE **PLAN ASSETS** BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN’S INVESTMENT IN THE ENTITY.

THE PURCHASER OR ACQUIROR ACKNOWLEDGES THAT THE ISSUER RESERVES THE RIGHT PRIOR TO ANY SALE OR OTHER TRANSFER TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS AND OTHER INFORMATION AS THE ISSUER MAY

REASONABLY REQUIRE TO CONFIRM THAT THE PROPOSED SALE OR OTHER TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. TERMS WHICH ARE USED IN THIS LEGEND AND NOT OTHERWISE DEFINED HEREIN, HAVE THE MEANINGS GIVEN TO THEM UNDER SUCH RULE.

THE ISSUER HAS THE RIGHT TO COMPEL ANY HOLDER OF NOTES REPRESENTED BY THIS GLOBAL NOTE OR BENEFICIAL OWNER OF ANY INTEREST THEREIN THAT IS A U.S. PERSON WITHIN THE MEANING OF REGULATION S (OTHER THAN A QUALIFIED INSTITUTIONAL BUYER) TO SELL SUCH NOTES OR INTEREST THEREIN, OR MAY SELL SUCH NOTES OR INTEREST THEREIN ON BEHALF OF SUCH PERSON, AT THE LOWEST OF (X) THE PURCHASE PRICE THEREFOR PAID BY THE NOTEHOLDER OR BENEFICIAL OWNER, AS THE CASE MAY BE, (Y) 100 PER CENT. OF THE PRINCIPAL AMOUNT THEREOF AND (Z) THE FAIR MARKET VALUE THEREOF. IN ADDITION, THE ISSUER HAS THE RIGHT TO REFUSE TO HONOUR A TRANSFER OF NOTES OR ANY INTEREST THEREIN TO A PERSON WHO IS A NOT AN ELIGIBLE TRANSFEREE.

*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.*

## CERTAIN ERISA AND OTHER U.S. CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended (**ERISA**) imposes certain requirements on “employee benefit plans” (as defined in ERISA) subject to Part 4 of Subtitle B of Title I of ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, **ERISA Plans**) and on those persons who are fiduciaries with respect to ERISA Plans.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (Section 4975 of the Code also imposes prohibitions for certain plans that are not subject to Title I of ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts (together with ERISA Plans, **Plans**) and certain persons (referred to as “parties in interest” or “disqualified persons”) having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and Section 4975 of the Code.

Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may be applicable, however, depending in part on the type of Plan fiduciary making the decision to acquire any Rule 144A Notes and the circumstances under which such decision is made. Included among these exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (relating to transactions between a person that is a party in interest (other than a fiduciary or an affiliate that has or exercises discretionary authority or control or renders investment advice with respect to assets involved in the transaction) solely by reason of providing services to the plan or having a relationship to such service provider, **provided that** there is adequate consideration for the transaction), Prohibited Transaction Class Exemption (**PTCE**) 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a qualified professional asset manager), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by in-house asset managers). Prospective investors should consult with their advisers regarding the prohibited transaction rules and these exceptions. There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving any Rule 144A Notes.

Accordingly, each purchaser and transferee of a Rule 144A Note or any interest therein will be deemed to have represented and agreed that either (a) it is not and for so long as it holds any such Rule 144A Note or any interest therein will not be (and will not be acting on behalf of) (i) an **employee benefit plan** as defined in and subject to Part 4 of Subtitle B of Title I of ERISA, (ii) a **plan** as defined in and subject to Section 4975 of the Code, (iii) an entity whose underlying assets are deemed for purposes of ERISA or Section 4975 of the Code to include “plan assets” of any such plan or employee benefit plan (any of (i), (ii) or (iii) a **Benefit Plan Investor**), or (iv) any employee benefit plan subject to any U.S. federal, state, local or non-U.S. law that is substantially similar to Section 406 of ERISA or Section 4975 of the Code (**Similar Law**), or (b) its acquisition, holding and disposition of any Rule 144A Note will not constitute or result in a non-exempt prohibited transaction under ERISA, Section 4975 of the Code or, as applicable, in a violation of any Similar Law.

The U.S. Department of Labor (the **DOL**) has promulgated a regulation describing what constitutes the assets of a Plan with respect to the Plan’s investment in an entity for purposes of ERISA’s fiduciary provisions and Section 4975 of the Code, which was modified in part by Section 3(42) of ERISA (the **Plan Asset Regulation**). Under the Plan Asset Regulation, subject to certain exceptions, if a Plan invests in an “equity interest” of an entity, then the Plan’s assets include both the equity interest and an undivided interest in each of the entity’s underlying assets, unless it is established that equity participation in the entity by Benefit Plan Investors is not “significant” (as described below). If the underlying assets of the entity are deemed to be “plan assets”, the obligations and other responsibilities of Plan sponsors, Plan fiduciaries and Plan administrators, and of “parties in interest” and “disqualified persons” (as defined under ERISA and the Code), under Parts 1 and 4 of Subtitle B of Title I of ERISA and Section 4975 of the Code, as applicable, may be

expanded, and there may be an increase in their liability under these and other provisions of ERISA and the Code (except to the extent (if any) that a favourable statutory or administrative exemption or exception applies); in addition, various providers of fiduciary or other services to the entity, and any other parties with authority or control with respect to the entity, could be deemed to be Plan fiduciaries or otherwise parties in interest or disqualified persons by virtue of their provision of such services (and there could be an improper delegation of authority to such providers).

Generally, equity participation by Benefit Plan Investors in an entity is “significant” under the Plan Asset Regulation if, immediately after the most recent acquisition of any equity interest in the entity, 25 per cent. or more of the value of any class of equity interests in the entity is held by Benefit Plan Investors, disregarding equity interests held by persons with discretionary authority or control over the assets of the entity or who provide investment advice for a fee (direct or indirect) with respect to such assets, and any affiliates thereof. For purposes of the Plan Asset Regulation, an equity interest includes any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. While there is little pertinent authority in this area and no assurance can be given, the Issuer believes that as long as the Rule 144A Notes retain an investment grade rating, they should not be treated as equity interests for the purposes of the Plan Asset Regulation and, therefore, the Plan Asset Regulation should not apply to cause the assets of the Issuer to be treated as “plan assets”. There is, however, increased uncertainty regarding the characterisation of debt instruments that do not carry an investment grade rating. Consequently, a withdrawal or downgrade to below investment grade of the rating of any Rule 144A Note may cause such Rule 144A Note to be treated as an equity interest for the purposes of the Plan Asset Regulations at the time of any subsequent transfer of such Rule 144A Note to a Benefit Plan Investor. Accordingly, such Benefit Plan Investor that purchases or acquires a Rule 144A Note will be deemed to have represented and agreed that at the time of such acquisition of the Rule 144A Notes, such notes are rated at least investment grade, and that such purchaser or transferee believes that the Rule 144A Notes are properly treated as indebtedness without substantial equity features for purposes of the Plan Asset Regulations, and agrees to so treat the Rule 144A Notes.

Benefit Plan Investors will not be permitted to purchase or hold Reg S Notes or the Class C Note. Accordingly, with respect to the Reg S Notes and the Class C Note, each purchaser and transferee of such Reg S Notes or Class C Note will be deemed to have represented and agreed either that: (i) it is not, and is not deemed for purposes of ERISA or Section 4975 of the Code to be, and for so long as it holds such Reg S Note or Class C Note (or any interest therein) will not be or be deemed for such purposes to be, a Benefit Plan Investor or an employee benefit plan subject to Similar Law or (ii) it will be an employee benefit plan that is not a Benefit Plan Investor and is subject to Similar Law, and the acquisition, holding and disposition of the Reg S Notes or the Class C Note do not and will not violate any Similar Law. Any purported purchase or transfer of Reg S Notes or Class C Note that do not comply with the foregoing shall be null and void *ab initio*.

Governmental plans (as defined in Section 3(32) of ERISA) and certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA), while not subject to the fiduciary responsibility or prohibited transaction provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to local, state or other federal, or non-U.S. laws or regulations that are substantially similar to ERISA and the Code.

In addition, each Benefit Plan Investor who purchases an interest in the Rule 144A Notes, or any beneficial interest therein, including any fiduciary purchasing such Rule 144A Notes on behalf of a Benefit Plan Investor (a **Plan Fiduciary**) will be deemed to represent that (i) none of the Issuer, the Trustee, the Seller, the Arranger or the Managers or any other party to the transactions contemplated by this Prospectus or any of their respective affiliated entities (the **Transaction Parties**), has provided or will provide advice with respect to the acquisition of the Rule 144A Notes by the Benefit Plan Investor, other than to the Plan Fiduciary which is independent of the Transaction Parties, and the Plan Fiduciary either: (A) is a bank as defined in Section 202 of the Investment Advisers Act of 1940 (the **Advisers Act**), or similar institution that is regulated and supervised and subject to periodic examination by a state or federal agency; (B) is an insurance carrier which is qualified under the laws of more than one state to perform the services of managing, acquiring or disposing of assets of a Benefit Plan Investor; (C) is an investment adviser registered under the Advisers Act, or, if not

registered as an investment adviser under the Advisers Act by reason of paragraph (1) of Section 203A of the Advisers Act, is registered as an investment adviser under the laws of the state in which it maintains its principal office and place of business; (D) is a broker-dealer registered under the Securities Exchange Act of 1934, as amended; or (E) has, and at all times that the Benefit Plan Investor is invested in the Rule 144A Notes will have, total assets of at least U.S. \$50,000,000 under its management or control (provided that this paragraph (E) shall not be satisfied if the Plan Fiduciary is either (1) the owner or a relative of the owner of an investing individual retirement account or (2) a participant or beneficiary of the Benefit Plan Investor investing in the Rule 144A Notes in such capacity); (ii) the Plan Fiduciary is capable of evaluating investment risks independently, both in general and with respect to particular transactions and investment strategies, including the acquisition by the Benefit Plan Investor of the Rule 144A Notes; (iii) the Plan Fiduciary is a “fiduciary” with respect to the Benefit Plan Investor within the meaning of Section 3(21) of ERISA, Section 4975 of the Code, or both, and is responsible for exercising independent judgment in evaluating the Benefit Plan Investor’s acquisition of the Rule 144A Notes; (iv) none of the Transaction Parties has exercised any authority to cause the Benefit Plan Investor to invest in the Rule 144A Notes or to negotiate the terms of the Benefit Plan Investor’s investment in the Rule 144A Notes; (v) no fee or other compensation is being paid directly to any of the Transaction Parties or their Affiliates by the Benefit Plan Investor or the Plan Fiduciary for investment advice (as opposed to other services) in connection with the Benefit Plan Investor’s acquisition of the Rule 144 Notes; and (vi) the Plan Fiduciary has been informed by the Transaction Parties: (A) that none of the Transaction Parties is undertaking to provide impartial investment advice or to give advice in a fiduciary capacity, and that no such entity has given investment advice or otherwise made a recommendation, in connection with the Benefit Plan Investor’s acquisition of the Rule 144A Notes; and (B) of the existence and nature of the Transaction Parties’ financial interests in the Benefit Plan Investor’s acquisition of such Rule 144A Notes. The above representations in this paragraph are intended to comply with the Department of Labor’s regulation, Sections 29 C.F.R. 2510.3-21(a) and (c)(1) as promulgated on April 8, 2016 (81 Fed. Reg. 20,997). If these regulations are revoked, repealed or no longer effective, these representations shall be deemed to be no longer in effect.

None of the Transaction Parties is undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the acquisition of any Rule 144A Notes by any Benefit Plan Investor.

The sale of a Rule 144A Note to a Plan is in no respect a representation by the Issuer, the Arranger or the Managers that such an investment meets all relevant requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

THE PRECEDING DISCUSSION IS ONLY A SUMMARY OF CERTAIN ERISA AND OTHER U.S. IMPLICATIONS OF AN INVESTMENT IN THE SECURITIES AND DOES NOT PURPORT TO BE COMPLETE. PROSPECTIVE INVESTORS SHOULD CONSULT WITH THEIR OWN LEGAL, TAX, FINANCIAL AND OTHER ADVISERS PRIOR TO INVESTING TO REVIEW THESE IMPLICATIONS IN LIGHT OF SUCH INVESTOR’S PARTICULAR CIRCUMSTANCES.

## GLOSSARY OF DEFINED TERMS

In this Prospectus, the following terms have the following meanings:

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| <b>\$, USD or Dollar</b>                                     | means the lawful currency for the time being of the United States of America;  |
| <b>£, pounds, pounds sterling, GBP, sterling or Sterling</b> | means the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland;  |
| <b>Account Bank</b>  | means Elavon Financial Services DAC, UK Branch, any successor thereof or any other person appointed as Account Bank in accordance with the Account Bank Agreement and the Deed of Charge from time to time as the bank with whom the Issuer holds the Sterling Account, the Class A1 Swap Reserve Account, and any cash Swap Collateral Accounts;  |
| <b>Account Bank Agreement</b>                                | means the agreement so named dated on or about the Closing Date between the Issuer, the Seller, the Cash Administrator, the Account Bank, the Transaction Account Bank and the Trustee;  |
| <b>Actual Class A1 GBP Amortisation Amount</b>               | means, for any Payment Date, the amount in Sterling available for redemption of the Class A1 Notes in accordance with the applicable Priority of Payments;   |
| <b>Actual Class A1 USD Amortisation Amount</b>               | means, for any Payment Date, an amount in Dollars equal to the Actual Class A1 GBP Amortisation Amount at the Relevant Exchange Rate for the Class A1 Notes;   |
| <b>Additional Interest</b>                                   | has the meaning given to it in Condition 6.6(f) ( <i>Interest Accrual</i> );   |
| <b>Additional Termination Event</b>                          | has the meaning given to it in the Class A1 Swap Agreement and the Class A Swap Agreement, respectively;   |
| <b>Adjusted Aggregate Asset Amount Outstanding</b>           | means the Aggregate Asset Amount Outstanding on any date minus the Aggregate Asset Amount Outstanding of all Overdue Receivables on such date;   |
| <b>Administrator Incentive Recovery Fee</b>                  | means the fee payable to the Insolvency Official of the Seller, following an Insolvency Event of the Seller, in relation to the sale of the relevant Financed Vehicles in an amount equal to (i) the reasonable costs and expenses of such Insolvency Official incurred in relation to the sale of such Financed Vehicles plus (ii) a percentage of the corresponding securitisation proceeds in respect of the relevant Financed Vehicles to 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 VAT-exclusive securitisation proceeds of the relevant Financed Vehicles); |
| <b>Affiliate</b>   | means, with respect to a person:<br><br>(a) any other person who, directly or indirectly, is in control of, or controlled by, or is under common control with, such person; or<br><br>(b) any other person who is a director, officer or employee of such person, of any subsidiary or parent company of such person, or of any person described in paragraph (a) above.   |

For the purposes of this definition, control of a person shall mean the power,



direct or indirect, (A) to vote more than 50 per cent. of the securities having ordinary voting power for the election of directors of such person, or (B) to direct or cause the direction of the management and policies of such person whether by contract or otherwise;

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| <b>Agency Agreement</b>                            | means the agency agreement dated on or about the Closing Date between the Issuer, the Trustee, the Principal Paying Agent, the U.S. Paying Agent, the Calculation Agent, the DTC Custodian, the Agent Bank, the Registrar and the U.S. Registrar;   |
| <b>Agent</b>                                       | means each of the Principal Paying Agent, the U.S. Paying Agent, the Calculation Agent, the Cash Administrator, the Registrar, the U.S. Registrar, the DTC Custodian, the Agent Bank and any successor or replacement and each of their permitted successors and assigns and <b>Agents</b> means any one or more of them;   |
| <b>Agent Bank</b>                                  | means Elavon Financial Services DAC, UK Branch, in its capacity as agent bank and any successor or replacement agent bank appointed in accordance with the terms of the Agency Agreement;   |
| <b>Aggregate Asset Amount Outstanding</b>          | means, in respect of all Purchased Receivables at any time, the aggregate of the Asset Amount Outstanding of all Purchased Receivables which, as at such time, are not Defaulted Receivables;   |
| <b>Aggregate Note Principal Amount Outstanding</b> | means: <ul style="list-style-type: none"><li>(a) in relation to a Class of Notes, the aggregate Sterling Equivalent Principal Amount Outstanding of all Notes then outstanding in such Class; and</li><li>(b) in relation to the Notes then outstanding on any day, the aggregate Sterling Equivalent Principal Amount Outstanding in respect of all Notes then outstanding, regardless of Class;</li></ul> |
| <b>Amortisation Threshold Date</b>                 | means the Calculation Date immediately preceding the Payment Date on which the Aggregate Note Principal Amount Outstanding of the Class A Notes and the Class B Notes will be less than 50 per cent. of the Uncollateralised Aggregate Note Principal Amount Outstanding of the Class A Notes and the Class B Notes on the Closing Date;  |
| <b>Ancillary Rights</b>                            | means, in relation to a Right, all ancillary rights, accretions and supplements to such Right, including any guarantees or indemnities in respect of such Right;  |
| <b>Applicable Currency</b>                         | means: <ul style="list-style-type: none"><li>(a) in respect of the Class A1 Notes, Dollars; and</li><li>(b) in respect of the Class A2 Notes, the Class B Notes and the Class C Note, Sterling;</li></ul>   |
| <b>Appointee</b>                                   | means any attorney, manager, agent, delegate or other person appointed by the Trustee under the Trust Deed or the Deed of Charge, including to discharge any of its functions or advise it in relation thereto;   |

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| <b>Arranger</b>                      | means Banco Santander;  |
| <b>Asset Amount Outstanding</b>      | means, with respect to any Purchased Receivable at any time, the outstanding balance (as calculated by the Servicer) which is scheduled to become due on or after the applicable Reference Date for that Purchased Receivable <i>less</i> the amount of the principal portion of the Collections (which, for the avoidance of doubt, includes the Net Sale Proceeds) received by the Issuer and applied to the principal balance of such Purchased Receivable in accordance with the related Underlying Agreement; <b>provided that</b> Collections shall not be treated as received by the Issuer until credited to the Transaction Account; in each case, excluding any amounts in respect of, or apportioned by the Servicer as, the Guaranteed Future Value Payment component of Purchased Receivables subject to PCP Agreements;   |
| <b>Asset Rate</b>                    | means, with respect to any Purchased Receivable, the rate of interest at the relevant time applicable to such Purchased Receivable under the related Underlying Agreement;  |
| <b>Authorised Investments</b>        | means: <ul style="list-style-type: none"> <li>(a) securities issued by the government of the United Kingdom, <b>provided that</b> such securities are rated at least A-1 by S&amp;P and at least P-1 by Moody's;</li> <li>(b) investments in money market funds that maintain (A) in the case of S&amp;P, a rating of at least AAAm, or (B) in the case of Moody's, a rating of at least Aaa-mf;</li> <li>(c) demand or time deposits, certificates of deposit and unsecured debt obligations with maturities of up to 31 days, including commercial paper, <b>provided that</b> the issuing entity or, if such investment is guaranteed, the guaranteeing entity is rated at least, in the case of S&amp;P, A-1 and, in the case of Moody's, P-1, and any such guarantee and guaranteeing entity complies with each Rating Agency's then current criteria; and</li> <li>(d) so long as the Notes are rated by a Rating Agency, any other debt obligations in relation to which confirmation has been received from the Rating Agencies that such investment would not adversely affect the rating of the Class A Notes or the Class B Notes, <b>provided that</b> such investments do not constitute securitisation positions,</li> </ul> <p><b>provided that</b> such investments are due such that the full principal invested is available on or before each Payment Date and the principal invested is returned in full;</p> |
| <b>Available Distribution Amount</b> | means, with respect to any Payment Date and the immediately preceding Collection Period, an amount calculated by the Cash Administrator pursuant to the Cash Administration Agreement as at the related Calculation Date and notified to the Issuer, the Cash Administrator and the Trustee not later than the Reporting Date following such Calculation Date (each such amount shall be calculated by the Cash Administrator with respect to such Calculation Date on the basis of the information available to the Cash Administrator at that time (for the avoidance of doubt, the Cash Administrator will not be obliged to   |

request such information from any party to the Transaction Documents (other than the Principal Paying Agent and the Calculation Agent as long as the Cash Administrator, the Principal Paying Agent and the Calculation Agent are the same entity) or any other third party)), as the sum of (without double counting):

- (a) the amounts standing to the credit of the Reserve Ledger as at such Calculation Date;
- (b) any Collections (excluding, for the avoidance of doubt, any Seller Amounts, any amounts received by the Issuer but held on trust for the benefit of the Seller in accordance with the Receivables Sale Agreement, and any amounts received by the Issuer and apportioned by the Servicer to the Guaranteed Future Value Payment component of any PCP Agreement) received by the Issuer during the Collection Period ending on such Calculation Date;
- (c) amounts received by the Issuer or the relevant Paying Agent on behalf of the Issuer under the Class A1 Swap (or, if the Class A1 Swap has been terminated and not replaced, Sterling amounts converted into Dollars at the Spot Rate by the Cash Administrator) and any Class A1 Additional USD Set Interest Payment received on or before and with respect to such Payment Date (excluding, for the avoidance of doubt, any collateral posted by the Class A1 Swap Counterparty in the Class A1 Swap Collateral Account and/or in any other account for this purpose, under any Credit Support Annex and any interest or distributions thereon, but including any proceeds from such collateral retained by the Issuer in accordance with the provisions of the Class A1 Swap Agreement that apply upon the termination of the Class A1 Swap (to the extent not applied to put in place a replacement swap));
- (d) amounts received by the Issuer under the Class A Swap on or before and with respect to such Payment Date (excluding, for the avoidance of doubt, any collateral posted by the Class A Swap Counterparty in the Class A Swap Collateral Account and/or in any other account for this purpose, under any Credit Support Annex and any interest thereon but including any proceeds from such collateral retained by the Issuer in accordance with the provisions of the Class A Swap Agreement that apply upon the termination of the Class A Swap (to the extent not applied to put in place a replacement swap));
- (e) (i)(A) any default interest on unpaid sums due and paid by the Seller to the Issuer and (B) indemnities against any loss or expense, including legal fees, incurred by the Issuer as a consequence of any default of the Seller, in each case paid by the Seller to the Issuer pursuant to the Receivables Sale Agreement; and (ii) any default interest and indemnities paid by the Servicer to the Issuer pursuant to the Servicing Agreement; in each case as collected during such Collection Period;
- (f) any other amounts paid by the Seller to the Issuer under or with respect to the Receivables Sale Agreement or the Purchased Receivables or the Related Collateral and any other amounts paid by the Servicer to the Issuer under or with respect to the Servicing Agreement, the Purchased Receivables or the Related Collateral, in

each case as collected during such Collection Period;

- (g) any amounts earned (if any) in respect of any Authorised Investments during such Collection Period;
- (h) any interest earned (if any) on the Issuer Accounts during such Collection Period;
- (i) any funds released from the Class A1 Swap Reserve Account upon appointment of a replacement swap counterparty for the Class A1 Notes or redemption in full of the Class A1 Notes (**provided that** there are no outstanding Currency Swap Deferred Amounts);
- (j) the amounts then standing to the credit of the Class A1 Cash Accumulation Ledger (**provided that**, prior to the amortisation of the Class A1 Notes to zero, such amounts are available in respect of payments of principal on the Class A1 Notes only, in accordance with the relevant Priority of Payments unless, for the avoidance of doubt, the balance of the Class A1 Cash Accumulation Fund exceeds the amount required to fully repay the Aggregate Note Principal Amount Outstanding of the Class A1 Notes on such Payment Date);
- (k) any Class A1 Principal Requirement Advances paid by the Subordinated Loan Provider to the Issuer under the Subordinated Loan Agreement after the immediately preceding Payment Date, **provided that** any such amounts shall solely be available and applied to reduce or eliminate any Class A1 Principal Requirement Shortfall under item (j) (on and after the Revolving Period End Date and prior to a Principal Payment Trigger Event) of the Pre-Enforcement Priority of Payments;
- (l) any Class A1 Additional Set Interest Amount Advance paid by the Subordinated Loan Provider under the Subordinated Loan Agreement after the immediately preceding Payment Date; and
- (m) any amounts standing to the credit of the Reinvestment Principal Ledger;

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| <b>Back-up Servicer Facilitator</b>       | means Banco Santander in its capacity as back-up servicer facilitator under the Servicing Agreement;  |
| <b>Banco Santander</b>                    | means Banco Santander, S.A.;  |
| <b>Base Rate Modification Certificate</b> | has the meaning given to it in Condition 12 ( <i>Meetings of Noteholders, Modifications, Waiver, Substitution and Exchange</i> );   |
| <b>Basel Committee</b>                    | means the Basel Committee on Banking Supervision;   |
| <b>Basel III</b>                          | means (i) the agreements on capital requirements, a leverage ratio and liquidity standards contained in “ <i>Basel III: A global regulatory framework for more resilient banks and banking systems</i> ”, “ <i>Basel III: International framework for liquidity risk measurement, standards and monitoring</i> ” and “ <i>Basel III: Guidance for national authorities operating the countercyclical capital buffer</i> ” published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated; (ii) the rules for |

global systemically important banks contained in “*Global systemically important banks: assessment methodology and the additional loss absorbency requirement—Rules text*” published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and (iii) any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III”;

**Benefit**

in respect of any asset, agreement, property or right (each a **Right** for the purpose of this definition) held, assigned, conveyed, transferred, held on trust, charged, sold or disposed of by any person, shall be construed so as to include:

- (a) all right, title, interest and benefit, present and future, actual and contingent (and interests arising in respect thereof) of such person in, to, under and in respect of such Right and all Ancillary Rights in respect of such Right;
- (b) all monies and proceeds payable or to become payable under, in respect of, or pursuant to such Right or its Ancillary Rights and the right to receive payment of such monies and proceeds and all payments made including, in respect of any bank account, all sums of money which may at any time be credited to such bank account together with all interest accruing from time to time on such money and the debts represented by such bank account;
- (c) the benefit of all covenants, undertakings, representations, warranties and indemnities in favour of such person contained in or relating to such Right or its Ancillary Rights;
- (d) the benefit of all powers of and remedies for enforcing or protecting such person’s right, interest and benefit in, to, under and in respect of such Right or its Ancillary Rights, including the right to demand, sue for, recover, receive and give receipts for proceeds of and amounts due under or in respect of or relating to such Right or its Ancillary Rights; and
- (e) all items expressed to be held on trust for such person under or comprised in any such Right or its Ancillary Rights, all rights to deliver notices and/or take such steps as are required to cause payment to become due and payable in respect of such Right and its Ancillary Rights, all rights of action in respect of any breach of or in connection with any such Right and its Ancillary Rights and all rights to receive damages or obtain other relief in respect of such breach;

**Benefit Plan Investor**

has the meaning given to it in Section 3(42) of ERISA, which includes: (i) an “employee benefit plan” as defined in Section 3(3) of ERISA and subject to Part 4 of Subtitle B of Title I of ERISA; (ii) a “plan” as defined in and subject to Section 4975 of the Code; and (iii) an entity whose underlying assets are deemed for purposes of ERISA or Section 4975 of the Code to include “plan assets” of any such plan or employee benefit plan;

**Book-Entry Interest**

means on any day the beneficial interests of the Noteholders (from time to time) in the Global Notes recorded by DTC, Euroclear and/or Clearstream, Luxembourg, as applicable;

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| <b>Breach of Duty</b>                              | means in relation to any person, a wilful default, fraud, illegal dealing, negligence or breach of trust by such person;  |
| <b>Business Day</b>                                | means a day on which commercial banks and foreign exchange markets are open or required to be open for business in London, England, New York, New York and in Dublin, Ireland;  |
| <b>Calculation Agent</b>                           | means Elavon Financial Services DAC, UK Branch, and any successor or replacement calculation agent appointed in accordance with the terms of the Agency Agreement;  |
| <b>Calculation Date</b>                            | means the last Business Day of each calendar month, and the Calculation Date with respect to each Payment Date is the Calculation Date immediately preceding such Payment Date and the first Calculation Date shall be 29 September 2017;   |
| <b>Carry Over Class A1 GBP Amortisation Amount</b> | means, with respect to any Payment Date and the Class A1 Notes, an amount (which shall not be less than zero) calculated with respect to all preceding Payment Dates, equal to (a) in the case of any Payment Date on which the Expected Class A1 GBP Amortisation Amount exceeded the Actual Class A1 GBP Amortisation Amount, the amount of such excess (expressed as a positive number), <i>less</i> (b) in the case of any Payment Date on which the Actual Class A1 GBP Amortisation Amount paid in accordance with the applicable Priority of Payments exceeded the Expected Class A1 GBP Amortisation Amount, the amount of such excess; |
| <b>Carry Over Class A1 USD Amortisation Amount</b> | means, with respect to any Payment Date and the Class A1 Notes, an amount (which shall not be less than zero) calculated with respect to all preceding Payment Dates, equal to (a) in the case of any Payment Date on which the Expected Class A1 USD Amortisation Amount exceeded the Actual Class A1 USD Amortisation Amount, the amount of such excess (expressed as a positive number), <i>less</i> (b) in the case of any Payment Date on which the Actual Class A1 USD Amortisation Amount paid in accordance with the applicable Priority of Payments exceeded the Expected Class A1 USD Amortisation Amount, the amount of such excess; |
| <b>Carry Over GBP Amortisation Amount</b>          | means the Carry Over Class A1 GBP Amortisation Amount;  |
| <b>Cash Administration Agreement</b>               | means the agreement so named dated on or about the Closing Date between the Issuer, the Trustee, the Seller, the Cash Administrator, the Principal Paying Agent, the Calculation Agent, the Agent Bank, the Account Bank and the Transaction Account Bank;  |
| <b>Cash Administrator</b>                          | means Elavon Financial Services DAC, UK Branch, and any successor or replacement cash administrator appointed in accordance with the terms of the Cash Administration Agreement;  |
| <b>Cash Administrator Termination Event</b>        | means the occurrence of any of the following: <ul style="list-style-type: none"> <li>(a) the Cash Administrator fails to make a payment due under the Cash Administration Agreement at the latest on the second Business Day after its due date or, in the event no due date has been determined, if payable, within two Business Days after the written demand for</li> </ul>  |

payment;

- (b) the Cash Administrator fails to comply with its covenants or obligations (other than those referred to in paragraph (a) above) which failure is, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders of the Controlling Class;
- (c) an Insolvency Event occurs in respect of the Cash Administrator; or
- (d) the Cash Administrator fails to be exempt from FATCA Withholding;

**Cash Administrator  
Termination Event Notice**

means a notice to the Cash Administrator from the Issuer or, following the delivery of an Enforcement Notice, the Trustee, delivered in accordance with the terms of Clause 21.5 (*Termination of the Appointment of Cash Administrator upon Occurrence of Cash Administrator Termination Event*) of the Cash Administration Agreement;

**Central Bank**

means the Central Bank of Ireland;

**CFTC**

means the Commodity Futures Trading Commission;

**Charged Accounts**

means the Issuer Accounts, the Swap Collateral Accounts and any bank or other account opened from time to time for the purposes of the Transaction in which the Issuer may at any time acquire a Benefit and over which the Issuer has created an Encumbrance in favour of the Trustee pursuant to the Deed of Charge;

**Class**

means the Class A Notes (or, where the context requires, the Class A1 Notes and the Class A2 Notes as separate classes), the Class B Notes or the Class C Note, as applicable;

**Class A Noteholders**

means the persons who for the time being are holders of the Class A Notes;

**Class A Notes**

means any or all of the Class A1 Notes and the Class A2 Notes;

**Class A Notes Principal**

means the Aggregate Note Principal Amount Outstanding of all Class A Notes on any date;

**Class A Target Principal  
Amount**

means, on any Payment Date, the excess (if any) of (a) the Adjusted Aggregate Asset Amount Outstanding on the Calculation Date immediately preceding such Payment Date over (b) the Class B Notes Principal *plus* the Class C Note Principal, in each case, on the Calculation Date immediately preceding such Payment Date;

**Class A Swap**

means the interest rate swap transaction, evidenced by a confirmation and governed by the Class A Swap Agreement and entered into on or about the Closing Date between the Issuer and the Class A Swap Counterparty;

**Class A Swap Agreement**

means the ISDA Master Agreement (Multicurrency – Cross Border, 1992 version), the Schedule thereto, the Credit Support Annex to such Schedule and the confirmations in respect of the Class A Swap thereunder entered into on or about the Closing Date between the Issuer and the Class A Swap Counterparty (as the same may be amended, restated, novated or supplemented from time to time);

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| <b>Class A Swap Collateral Account</b>                 | means the Class A Swap Collateral Cash Account and/or the Class A Swap Collateral Securities Account, as the case may be;  |
| <b>Class A Swap Collateral Cash Account</b>            | means the Sterling denominated interest-bearing bank account held in the name of the Issuer at the Account Bank, established (if required) in respect of cash collateral to be posted by the Class A Swap Counterparty under the relevant Credit Support Annex;  |
| <b>Class A Swap Collateral Securities Account</b>      | means the custody account held in the name of the Issuer with a custodian and governed pursuant to the terms of a custody agreement, established (if required) in respect of non-cash collateral to be posted by the Class A Swap Counterparty under the relevant Credit Support Annex;  |
| <b>Class A Swap Counterparty</b>                       | means Santander UK plc, in its capacity as swap counterparty under the Class A Swap Agreement or any replacement entity which acts in such capacity;   |
| <b>Class A1 Additional GBP Set Interest Amount</b>     | means, on each Payment Date, the amount in GBP required to provide the Class A1 Additional USD Set Interest Payment when such GBP amount is converted into USD at the Spot Rate on such Payment Date;  |
| <b>Class A1 Additional Set Interest Amount Advance</b> | means each additional advance which the Subordinated Loan Provider from time to time and acting in its absolute discretion, prior to the delivery of an Enforcement Notice, is entitled (but not required) to make to the Issuer under the Subordinated Loan Agreement in an amount up to (and including) the applicable shortfall, to be used by the Issuer solely for the purpose of paying certain amounts of interest on the Class A1 Notes;   |
| <b>Class A1 Additional USD Set Interest Payment</b>    | means, on each Payment Date, an amount in USD payable by the Issuer equal to the Interest Amount of the Class A1 Notes on such Payment Date minus the Class A1 Set Interest Swap Counterparty Payment payable by the Class A1 Swap Counterparty on such Payment Date; provided that such Class A1 Additional USD Set Interest Payment shall not be less than zero;   |
| <b>Class A1 Amortisation Commencement Date</b>         | means the Revolving Period End Date;   |
| <b>Class A1 Amortisation Schedule</b>                  | means the scheduled payments of the Class A1 Notes as set out in Condition 7.1 ( <i>Scheduled Redemption</i> );  |
| <b>Class A1 Cash Accumulation Fund</b>                 | means a fund, being equal to the balance standing to the credit of the Class A1 Cash Accumulation Ledger from time to time, available to pay principal on the Class A1 Notes in the order of priority set out in item (j) (on and after the Revolving Period End Date and prior to a Principal Payment Trigger Event) of the Pre-Enforcement Priority of Payments and item (f) of the Post-Enforcement Priority of Payments, and, if on the Calculation Date prior to the relevant Payment Date the amounts deposited in the Class A1 Cash Accumulation Ledger are in excess of the amounts required to reduce the Aggregate Note Principal Amount Outstanding of the Class A1 Notes to zero, any such excess shall be available for application towards other items in the relevant Priority of Payments; |
| <b>Class A1 Cash Accumulation Ledger</b>               | means a ledger in the Sterling Account to which the amounts under item (m) (on and after the Revolving Period End Date and prior to a Principal Payment Trigger Event) of the Pre-Enforcement Priority of Payments are credited,   |



which ledger will not be funded on the Closing Date;

**Class A1 Cash  
Accumulation Ledger  
Required Amount**

means, on each Payment Date (a) following the reduction of the Class A2 Notes Principal to zero and prior to a Principal Payment Trigger Event or the delivery of an Enforcement Notice, an amount equal to the Aggregate Note Principal Amount Outstanding of the Class A1 Notes after taking into account any payments to be made to the Class A1 Notes on such Payment Date, and (b) following the reduction of the Class A1 Notes to zero, zero;

**Class A1 GBP  
Amortisation Amount**

means, with respect to any Payment Date, an amount equal to the lesser of (a) the Expected Class A1 GBP Amortisation Amount for the Class A1 Notes *plus* any Carry Over Class A1 GBP Amortisation Amount and (b) the Actual Class A1 GBP Amortisation Amount, in each case for that Payment Date;

**Class A1 Global Note**

means any global note issued in respect of the Class A1 Notes;

**Class A1 Maximum Swap  
Notional**

means the amount specified in the Appendix to the Class A1 Swap Agreement as the “Class A1 Maximum Swap Notional (USD)” for the first day of the relevant Calculation Period (as defined in the Class A1 Swap Agreement);

**Class A1 Noteholders**

means the persons who for the time being are holders of the Class A1 Notes;

**Class A1 Notes**

means the \$400,000,000 Class A1 asset backed floating rate notes due on the Payment Date falling in September 2024;

**Class A1 Principal  
Requirement Advance**

means each additional advance which the Subordinated Loan Provider from time to time and acting in its absolute discretion, prior to the delivery of an Enforcement Notice, is entitled (but not required) to make to the Issuer under the Subordinated Loan Agreement in an amount up to (and including) the Class A1 Principal Requirement Shortfall to be used by the Issuer solely for the purpose of paying certain amounts of principal on the Class A1 Notes;

**Class A1 Principal  
Requirement Shortfall**

means, in respect of any Calculation Date prior to the occurrence of a Principal Payment Trigger Event, an amount equal to:

(a) the Expected Class A1 GBP Amortisation Amount plus any Carry Over GBP Amortisation Amount due on the immediately following Payment Date;

*minus*

(b) the portion of the Available Distribution Amount (excluding, for the avoidance of doubt, any Class A1 Principal Requirement Advance) to be applied for the purposes of payment of the Expected Class A1 GBP Amortisation Amount plus any Carry Over GBP Amortisation Amount under item (j) (prior to the occurrence of a Principal Payment Trigger Event) of the Pre-Enforcement Priority of Payments on the immediately following Payment Date;

**Class A1 Set Interest  
Issuer Payment**

means, on each Payment Date, an amount payable by the Issuer under the Class A1 Swap Agreement calculated by reference to the fixed rate specified in the Class A1 Swap on the lesser of the Sterling Equivalent Principal Amount Outstanding of the Class A1 Notes and the Class A1 Maximum Swap Notional;

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| <b>Class A1 Set Interest Swap Counterparty Payment</b> | means, on each Payment Date, an amount payable by the Class A1 Swap Counterparty under the Class A1 Swap Agreement calculated by reference to USD LIBOR plus the Relevant Margin payable in respect of the Class A1 Notes on the lesser of the Note Principal Amount Outstanding of the Class A1 Notes and the Class A1 Maximum Swap Notional;  |
| <b>Class A1 Swap</b>                                   | means such currency swap transactions evidenced by a confirmation and governed by the Class A1 Swap Agreement and entered into on or about the Closing Date between the Issuer and the Class A1 Swap Counterparty;  |
| <b>Class A1 Swap Agreement</b>                         | means the ISDA Master Agreement (Multicurrency – Cross Border, 1992 version), the Schedule thereto, the Credit Support Annex to such Schedule and the confirmations in respect of the Class A1 Swap thereunder entered into on or about the Closing Date between the Issuer and the Class A1 Swap Counterparty (as the same may be amended, restated, novated or supplemented from time to time); |
| <b>Class A1 Swap Collateral Account</b>                | means the Class A1 Swap Collateral Cash Account and/or the Class A1 Swap Collateral Securities Account, as the case may be;   |
| <b>Class A1 Swap Collateral Cash Account</b>           | means the USD denominated interest-bearing bank account held in the name of the Issuer at the Account Bank, established (if required) in respect of cash collateral to be posted by the Class A1 Swap Counterparty under the relevant Credit Support Annex;   |
| <b>Class A1 Swap Collateral Securities Account</b>     | means the custody account held in the name of the Issuer with a custodian and governed pursuant to the terms of a custody agreement, established (if required) in respect of non-cash collateral to be posted by the Class A1 Swap Counterparty under the relevant Credit Support Annex;  |
| <b>Class A1 Swap Counterparty</b>                      | means Santander UK plc, in its capacity as swap counterparty under the Class A1 Swap Agreement or any replacement entity which acts in such capacity;   |
| <b>Class A1 Swap Reserve Account</b>                   | means the swap reserve account established in respect of principal or interest payments on the Class A1 Notes at the Account Bank or any other bank account specified as such by or on behalf of the Issuer with the consent of the Trustee in the future in substitution of such Class A1 Swap Reserve Account in accordance with the Account Bank Agreement and the Deed of Charge;             |
| <b>Class A1 USD Amortisation Amount</b>                | means, with respect to any Payment Date, an amount equal to the lesser of (a) the Expected Class A1 USD Amortisation Amount <i>plus</i> any Carry Over Class A1 USD Amortisation Amount and (b) the Actual Class A1 USD Amortisation Amount for the Class A1 Notes, in each case for that Payment Date;   |
| <b>Class A2 Global Notes</b>                           | means any global note issued in respect of the Class A2 Notes;  |
| <b>Class A2 Noteholders</b>                            | means the persons who for the time being are holders of the Class A2 Notes;   |
| <b>Class A2 Notes</b>                                  | means the £245,000,000 Class A2 asset backed floating rate notes due on the Payment Date falling in September 2024;   |
| <b>Class A2 Notes Principal</b>                        | means the Aggregate Note Principal Amount Outstanding of all Class A2 Notes on any date;  |

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| <b>Class B Global Notes</b>            | means any global note issued in respect of the Class B Notes;   |
| <b>Class B Noteholders</b>             | means the persons who for the time being are holders of the Class B Notes, which on and from the Closing Date shall be SCUK;  |
| <b>Class B Notes</b>                   | means the £15,000,000 1.5 per cent. Class B asset backed fixed rate notes due on the Payment Date falling in September 2024;  |
| <b>Class B Notes Principal</b>         | means the Aggregate Note Principal Amount Outstanding of all Class B Notes on any date;   |
| <b>Class B Target Principal Amount</b> | means: <ul style="list-style-type: none"> <li>(a) until the earlier to occur of (i) all Class A Notes having been redeemed in full or (ii) the aggregate Sterling Equivalent Principal Amount Outstanding in respect of the Class A Notes then outstanding less any amounts credited to the Class A1 Cash Accumulation Ledger being zero, the Class B Notes Principal on the Closing Date; and</li> <li>(b) on any Payment Date falling on or after the date on which one of (a)(i) or (a)(ii) above has occurred, the amount by which the Adjusted Aggregate Asset Amount Outstanding on the Calculation Date immediately preceding such Payment Date exceeds the Class C Note Principal on the Calculation Date immediately preceding such Payment Date;</li> </ul> |
| <b>Class C Note</b>                    | means the £36,000,000 2.0 per cent. Class C asset backed fixed rate notes due on the Payment Date falling in September 2024;  |
| <b>Class C Noteholder</b>              | means the person who for the time being is the holder of the Class C Note, which on and from the Closing Date shall be SCUK;  |
| <b>Class C Note Principal</b>          | means the Aggregate Note Principal Amount Outstanding of all Class C Note outstanding on any date;  |
| <b>Class C Target Principal Amount</b> | means: <ul style="list-style-type: none"> <li>(a) until the earlier to occur of (i) all Class A Notes and all Class B Notes having been redeemed in full or (ii) the aggregate Sterling Equivalent Principal Amount Outstanding in respect of the Class A Notes and the Class B Notes then outstanding less any amounts credited to the Class A1 Cash Accumulation Ledger being zero, the Class C Note Principal on the Closing Date; and</li> <li>(b) on any Payment Date falling on or after the date on which one of (a)(i) or (a)(ii) above has occurred, the Adjusted Aggregate Asset Amount Outstanding on the Calculation Date immediately preceding such Payment Date;</li> </ul>   |
| <b>Clean-Up Call Option</b>            | means a call option in favour of the Seller pursuant to which the Seller may repurchase, subject to the satisfaction of certain conditions set out in Clause 11 ( <i>Clean-Up Call Option</i> ) of the Receivables Sale Agreement, all of the outstanding Purchased Receivables (together with any Related Collateral) held by the Issuer at the Repurchase Price;  |

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| <b>Clearing System Business Day</b> | means a day on which DTC, Euroclear, Clearstream, Luxembourg or any other clearing system for which the Notes are being held is open for business;  |
| <b>Clearing Systems</b>             | means Euroclear, Clearstream, Luxembourg and/or DTC, as applicable;   |
| <b>Clearstream, Luxembourg</b>      | means Clearstream Banking, <i>société anonyme</i> ;   |
| <b>Closing Date</b>                 | means 20 September 2017;  |
| <b>Code</b>                         | means the United States Internal Revenue Code of 1986, as amended;  |
| <b>Collectability</b>               | means, in respect of a Purchased Receivable, the ability to collect or the amount collected or the timing of collecting in respect of such Purchased Receivable (other than in respect of a Customer's ability or willingness to pay (unless such affected Purchased Receivable did not comply with the Eligibility Criteria on the relevant Purchase Date));   |
| <b>Collection Period</b>            | means, in relation to any Calculation Date, the period commencing on (but excluding) the immediately preceding Calculation Date and ending on (and including) such Calculation Date and with respect to the First Payment Date (following the Initial Purchase Date), the Collection Period will commence on (but exclude) the Reference Date and end on (and include) 29 September 2017 which is the Calculation Date immediately following the Closing Date;  |
| <b>Collections</b>                  | <p>means, with respect to any Purchased Receivable and any Related Collateral (but without double-counting):</p> <ul style="list-style-type: none"> <li>(a) all principal and interest payments by Customers with respect to any Purchased Receivable and any Related Collateral;</li> <li>(b) Net Sale Proceeds;</li> <li>(c) Guaranteed Future Value Payments;</li> <li>(d) all indemnity amounts received by the Seller from any Dealer in respect of an Underlying Agreement, insurance providers or other third parties;</li> <li>(e) all assigned proceeds received by the Seller from insurance policies relating to the Financed Vehicles or otherwise entered into in connection with the financing of the acquisition of the Financed Vehicles;</li> <li>(f) any proceeds from the repurchase by the Seller of any Purchased Receivables (together with the relevant Related Collateral) received by the Issuer under the Receivables Sale Agreement; and</li> <li>(g) any other amounts which the Seller or the Servicer has the obligation to pay to the Issuer under and in accordance with the Transaction Documents,</li> </ul> <p>in each case (i) received after the Reference Date immediately preceding the Purchase Date on which the relevant Purchased Receivable was sold by the Seller to the Issuer and (ii) excluding any Seller Amounts;</p> |

**Common Safekeeper** means the entity appointed as common safekeeper for Euroclear and Clearstream, Luxembourg;

**Common Services Provider** means the entity appointed as common services provider for Euroclear and Clearstream, Luxembourg to service the notes held under the NSS;

**Compensation Payment** means the amount of any loss (other than to the extent that such loss is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from a Breach of Duty by the Issuer) calculated by the Issuer or the Cash Administrator (acting on behalf of the Issuer) (including reasonable costs and expenses of the Issuer's legal counsel) to have been suffered or incurred by the Issuer as a result of a Seller Warranty Breach (other than a Seller Asset Warranty Breach), and for this purpose "loss" shall mean any direct loss (without regard to credit enhancement, if any) as a result of the relevant Seller Warranty Breach (other than a Seller Asset Warranty Breach) but shall not include:

- (a) any amount attributable to any indirect or consequential loss suffered by the Issuer; and/or
- (b) any loss suffered by the Issuer in circumstances where the Seller Warranty Breach has also been, or given rise to, an Issuer Event of Default,

the determination of such amount being subject to the provisions contained in the Receivables Sale Agreement;

**CONC** means the FCA Consumer Credit sourcebook, as amended from time to time;

**Concentration Limit** means each of the following requirements:

- (a) on the relevant Calculation Date, the sum of the Asset Amount Outstanding of all Purchased Receivables (including any Further Receivables identified in any Notice of Sale to be purchased on the next following Payment Date) owed by the relevant Customer does not exceed £125,000;
- (b) on the relevant Calculation Date, the weighted average annual percentage rate (using the Asset Amount Outstanding (including for these purposes the Guaranteed Future Value Payment component of Purchased Receivables subject to PCP Agreements) as at the relevant Calculation Date for weighing and calculating the annual percentage rate in accordance with the terms of the relevant Underlying Agreements) of all Purchased Receivables (including any Further Receivables identified in any Notice of Sale to be purchased on the next following Payment Date) is at least equal to 5.5 per cent. per annum;
- (c) on the relevant Calculation Date, the weighted average remaining term (using the Asset Amount Outstanding (including for these purposes the Guaranteed Future Value Payment component of Purchased Receivables subject to PCP Agreements) as at the relevant Calculation Date for the weighting) of the Underlying Agreements relating to all Purchased Receivables (including any Further

Receivables identified in any Notice of Sale to be purchased on the next following Payment Date) does not exceed 45 months;

- (d) on the relevant Calculation Date, the percentage of the Asset Amount Outstanding as at the relevant Calculation Date relating to all Purchased Receivables outstanding on the relevant Calculation Date (including any Further Receivables identified in any Notice of Sale to be purchased on the next following Payment Date) where the Financed Vehicles are used cars does not exceed 80 per cent.;
- (e) on the relevant Calculation Date, the percentage of the Asset Amount Outstanding as at the relevant Calculation Date relating to all Purchased Receivables outstanding on the relevant Calculation Date (including any Further Receivables identified in any Notice of Sale to be purchased on the next following Payment Date) which are governed by PCP Agreements shall be at least 50 per cent.;
- (f) on the relevant Calculation Date, the aggregate of the Asset Amount Outstanding of all Purchased Receivables with an Asset Amount Outstanding of more than £50,000 on the relevant Calculation Date divided by the aggregate Asset Amount Outstanding of all Purchased Receivables as at the Closing Date, expressed as a percentage, does not exceed 4 per cent. (and Asset Amount Outstanding in each case shall include for these purposes the Guaranteed Future Value Payment component of Purchased Receivables subject to PCP Agreements); and
- (g) on the relevant Calculation Date, no Purchased Receivables have a remaining term of more than 61 months;

**Conditional Sale Agreements**

means fixed interest rate, usually fully amortising, level payment conditional sale contracts entered into by the Seller and Customers, with retention of title to the Financed Vehicles;

**Conditions**

means the terms and conditions to be endorsed on the Notes in, or substantially in, the form set out in Schedule 9 (*Terms and Conditions of the Notes*) of the Trust Deed, as any of the same may from time to time be modified in accordance with the Trust Deed and any reference to a particular numbered Condition shall be construed accordingly;

**Controlling Class**

means the Class A Notes so long as any Class A Notes are outstanding (with the holders of the Class A1 Notes and the Class A2 Notes acting or voting together as a Class of Noteholders) and, after the Class A Notes have been paid in full, the Class B Notes then outstanding, and, after the Class A Notes and the Class B Notes have been paid in full, the holder of the Class C Note;

**Corporate Administration Agreement**

means a corporate administration agreement dated on or about the Closing Date and entered into between the Corporate Administrator, the Trustee, the Share Trustee, Holdings and the Issuer;

**Corporate Administrator**

means Intertrust Management Limited or any successor thereof or any other person appointed as replacement corporate administrator from time to time in accordance with the Corporate Administration Agreement;

**CRA Regulation**

means Regulation (EC) No 1060/2009, as may be amended or supplemented

from time to time;

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| <b>Credit and Collection Policy</b>             | means the credit and collection policies and practices of the Seller as applied by the Servicer or a Successor Servicer, or from time to time or following the delivery of an Enforcement Notice, the Trustee, subject to the terms of the Servicing Agreement;  |
| <b>Credit Support Annex</b>                     | means any credit support annex entered into between the Issuer and a Swap Counterparty from time to time which forms part of, and is subject to, the Class A1 Swap Agreement or the Class A Swap Agreement and is part of the schedule thereto;  |
| <b>CRR</b>                                      | means Regulation (EU) No 575/2013, as may be amended or supplemented from time to time, otherwise referred to as the Capital Requirements Regulation;  |
| <b>Cumulative Gross Defaulted Receivables</b>   | means, on any Calculation Date, the sum without double-counting of (i) the aggregate Asset Amount Outstanding of all Defaulted Receivables and (ii) the aggregate Asset Amount Outstanding of all Purchased Receivables that are greater than six Instalments overdue;   |
| <b>Currency Swap Deferred Amounts</b>           | means the Currency Swap Deferred Interest Amounts and the Currency Swap Deferred Principal Amounts;  |
| <b>Currency Swap Deferred Interest Amounts</b>  | has the meaning given to it in Condition 6.6 ( <i>Interest Accrual</i> );  |
| <b>Currency Swap Deferred Principal Amounts</b> | has the meaning given to it in Condition 7.3(a) ( <i>Currency Swap Deferred Principal</i> );   |
| <b>Currency Swap Excess Amounts</b>             | means any Currency Swap Excess Interest Amounts plus any Currency Swap Excess Principal Amounts together with any termination payment received by the Issuer and deposited in the Class A1 Swap Reserve Account;   |
| <b>Currency Swap Excess Interest Amounts</b>    | means the difference between (i) the Set Interest Amount (once converted into Dollars at the Spot Rate by the Cash Administrator) payable by the Issuer on the Class A1 Notes on any Payment Date prior to the delivery of any Enforcement Notice on or after the termination of the Class A1 Swap (where no replacement Class A1 Swap has been entered into) and (ii) the Interest Amount due and payable on the Class A1 Notes on the relevant Payment Date; |
| <b>Currency Swap Excess Principal Amounts</b>   | means the difference between (i) the Available Distribution Amount on a Payment Date to pay principal under the Pre-Enforcement Priority of Payments on the Class A1 Notes (once converted into Dollars at the Spot Rate by the Cash Administrator) and (ii) the amount of funds that would have been payable by the Class A1 Swap Counterparty on such Payment Date in respect of principal if the Class A1 Swap had still been in full force and effect;     |
| <b>Customer</b>                                 | means each of the persons obliged to make payments under an Underlying Agreement;  |
| <b>Cut-Off Date</b>                             | means 31 July 2017;  |
| <b>Dealer</b>                                   | means any person from whom the Seller purchases a Financed Vehicle related   |

to an Underlying Agreement;

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| <b>Debt Type</b>                             | means a With Asset Account or a Without Asset Account;  |
| <b>Deed of Charge</b>                        | means the deed so named dated on or about the Closing Date between the Issuer, the Trustee, the Seller, the Servicer, the Cash Administrator, the Class A1 Swap Counterparty, the Class A Swap Counterparty, the Account Bank, the Principal Paying Agent, the U.S. Paying Agent, the Agent Bank, the Registrar, the U.S. Registrar, the Calculation Agent, the Subordinated Loan Provider, the Transaction Account Bank and the Corporate Administrator; |
| <b>Defaulted Receivable</b>                  | means, on any date, any Purchased Receivable which has been written-off by the Servicer in accordance with the Credit and Collection Policy (including a Purchased Receivable subject to a Voluntary Termination or where the relevant Customer continues to have an outstanding liability after the Voluntary Termination);  |
| <b>Defaulted Receivable Repurchase Price</b> | means an amount equal to the aggregate of the Face Amounts of Purchased Receivables of each particular Debt Type of Defaulted Receivables multiplied by, if applicable, the Relevant Multiplier, and such amount shall be set out in the relevant Repurchase Notice;  |
| <b>Deferred Consideration</b>                | means the Senior Deferred Consideration and/or the Junior Deferred Consideration, as the context requires;  |
| <b>Definitive Notes</b>                      | means the Definitive Reg S Notes and the Definitive Rule 144A Notes;  |
| <b>Definitive Reg S Notes</b>                | means the registered notes in definitive form to be issued in respect of the Reg S Global Notes pursuant to, and in the circumstances specified in, the Trust Deed, substantially in the form set out in the Trust Deed or, as the context may require, a specific number thereof and includes any replacements for Definitive Reg S Notes issued pursuant to the Conditions;   |
| <b>Definitive Rule 144A Notes</b>            | means the registered notes in definitive form to be issued in respect of the Rule 144A Notes pursuant to, and in the circumstances specified in, the Trust Deed, substantially in the form set out in the Trust Deed or, as the context may require, a specific number thereof and includes any replacements for Definitive Rule 144A Notes issued pursuant to the Conditions;  |
| <b>Delinquency Ratio</b>                     | means, in respect of any Calculation Date, the ratio of:<br><br>(a) the Delinquent Receivables on the immediately preceding Calculation Date, over<br><br>(b) the Aggregate Asset Amount Outstanding of all Purchased Receivables on such Calculation Date;   |
| <b>Delinquent Receivables</b>                | means, on any date, the aggregate Asset Amount Outstanding of all Purchased Receivables (which, for the avoidance of doubt, shall not include Defaulted Receivables) that are greater than two Instalments overdue, as shown in the Monthly Report for the Collection Period ending on or immediately preceding such date in accordance with the Credit and Collection Policy;  |
| <b>direct debit</b>                          | means a written instruction of a Customer authorising its bank to honour a request of the Seller to debit a sum of money on specified dates from the  |



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|                                       | account of the Customer for credit to an account of the Seller;  |
| <b>Distribution Compliance Period</b> | means the 40 days after the later of the commencement of the offering of the Notes and the closing of the offering of the Notes;   |
| <b>Dodd-Frank Act</b>                 | means the Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted on 21 July 2010, as may be amended or supplemented from time to time;   |
| <b>DOL</b>                            | means the U.S. Department of Labor;  |
| <b>DRU</b>                            | means the debt recovery unit of SCUK to which terminated Underlying Agreements are passed;   |
| <b>DTC</b>                            | means the Depository Trust Company;  |
| <b>DTC Custodian</b>                  | means U.S. Bank National Association and any successor or assignee thereof;  |
| <b>DTC Letter of Representations</b>  | means the blanket issue letter of representations dated the Closing Date and delivered by the Issuer to DTC, confirming the Issuer's compliance with DTC's operational arrangements;   |
| <b>Early Redemption Date</b>          | means, in respect of the Clean-Up Call Option, the date falling at least one month prior to the Seller's contemplated redemption date (which shall be a Payment Date);   |
| <b>EEA</b>                            | means the European Economic Area;  |
| <b>Eligibility Criteria</b>           | means the criteria set out in Schedule 10 ( <i>Eligibility Criteria</i> ) to the Receivables Sale Agreement;   |
| <b>EMIR</b>                           | means Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012;   |
| <b>Encumbrance</b>                    | means: <ul style="list-style-type: none"> <li>(a) a mortgage, charge, pledge, assignation in security, lien or other encumbrance securing any obligation of any person;</li> <li>(b) any arrangement under which money or claims to money, or the benefit of a bank or other account, may be applied, set-off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or</li> <li>(c) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect;</li> </ul> |
| <b>Enforcement Notice</b>             | means a notice delivered in accordance with Condition 3.5 ( <i>Enforcement of the Security</i> ) which declares the Notes to be immediately due and payable in accordance with the Post-Enforcement Priority of Payments;  |
| <b>Enforcement Procedures</b>         | means the procedures, described in the Credit and Collection Policy, for enforcing rights and remedies against a Customer in respect of such Customer's obligations arising under any Underlying Agreement in respect of which such Customer is in default or against a surety or guarantor in respect   |

of such surety's or guarantor's obligations arising under any Underlying Agreement and Related Collateral in respect of which such surety or guarantor is in default;

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| <b>ERISA</b>                                     | means the U.S. Employee Retirement Income Security Act of 1974, as amended;  |
| <b>ERISA Plans</b>                               | means "employee benefit plans" (as defined in ERISA) subject to Part 4 of Subtitle B of Title I of ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans;   |
| <b>E.U.</b>                                      | means the European Union;  |
| <b>E.U. Risk Retention Requirements</b>          | means the Capital Requirements Regulation, the AIFM Regulation and the Solvency II Regulation (which, in each case, does not take into account any corresponding national measures);   |
| <b>Euroclear</b>                                 | means Euroclear Bank S.A./N.V.;  |
| <b>Exchange Act</b>                              | means the United States Securities Exchange Act of 1934, as amended;   |
| <b>Excluded Rights</b>                           | means the right to receive under any Underlying Agreement: <ul style="list-style-type: none"><li>(a) default interest and fees for, and expenses, charges and costs, if any, arising as a consequence of, late payment;</li><li>(b) administrative fees or charges or any fee payable upon purchase or return of a Financed Vehicle (but, for the avoidance of doubt, not the Net Sale Proceeds) and any interest accruing thereon;</li><li>(c) all amounts in respect of a Purchased Receivable which has subsequently been repurchased by the Seller pursuant to the Receivables Sale Agreement (including, but not limited to, the sale proceeds of any Financed Vehicle financed by such Receivable); or</li><li>(d) Pre-Closing Interest Amounts;</li></ul> |
| <b>Expected Class A1 GBP Amortisation Amount</b> | means, on any Payment Date, with respect to the Class A1 Notes, the amount in Sterling determined as the Class A1 USD Amortisation Amount on such Payment Date multiplied by the Relevant Exchange Rate;   |
| <b>Expected Class A1 USD Amortisation Amount</b> | means, on any Payment Date, with respect to the Class A1 Notes, the amount in Dollars set forth on the Class A1 Amortisation Schedule and, for the avoidance of doubt, after a Principal Payment Trigger Event, the Expected Class A1 USD Amortisation Amount will equal the Note Principal Amount Outstanding of the Class A1 Notes;  |
| <b>Extraordinary Resolution</b>                  | means: <ul style="list-style-type: none"><li>(a) a resolution passed at a Meeting duly convened and held in accordance with the Trust Deed by more than 75 per cent. of votes cast; or</li><li>(b) a Written Resolution;</li></ul>   |

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| <b>Face Amount</b>                        | means, in relation to a Purchased Receivable, the Asset Amount Outstanding of such Purchased Receivable plus any interest accrued but unpaid on the relevant date of calculation (after the deduction of any applicable rebate of insurance premium financed by the Underlying Agreement and the deduction of applicable rebate of interest and finance charges due to the relevant Customer pursuant to the Consumer Credit (Early Settlement) Regulations 2004 as amended or supplemented from time to time);   |
| <b>FATCA</b>                              | means Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto;  |
| <b>FATCA Withholding</b>                  | means any amount required to be withheld or deducted pursuant to FATCA;   |
| <b>FCA</b>                                | means the Financial Conduct Authority;  |
| <b>FFI</b>                                | means a foreign financial institution (as defined by FATCA);  |
| <b>Financed Vehicle</b>                   | means any vehicle designated to be a passenger car, LCV, off-road vehicle, van or light truck which is financed pursuant to the relevant Underlying Agreement;  |
| <b>First Payment Date</b>                 | means the Payment Date falling on 25 October 2017;  |
| <b>FOS</b>                                | means the Financial Ombudsman Service, 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;  |
| <b>FSMA</b>                               | means the Financial Services and Markets Act 2000 (as amended);   |
| <b>Further Purchase Date</b>              | means a Payment Date falling in the Revolving Period;   |
| <b>Further Receivable</b>                 | means, on any date of determination, a Receivable identified in the Notice of Sale which is sold or to be sold by the Seller to the Issuer on a Further Purchase Date;  |
| <b>Further Receivables Purchase Price</b> | means, in respect of a Further Purchase Date and a Further Receivable, the initial consideration payable by the Seller in respect of the relevant Purchased Receivable and its Related Collateral, being the Asset Amount Outstanding on the Reference Date immediately preceding such Further Purchase Date;   |
| <b>GBP LIBOR</b>                          | means the rate for deposits in Sterling for a period of 1 month (or with respect to the first Interest Period the linear interpolation between 1 month and 2 months) which appears on Reuters page LIBOR01 (or such other page as may replace such page on that service for the purpose of displaying the London inter-bank offered rate) at 11:00 a.m. (London time) on the GBP LIBOR Determination Date, all as determined by the Calculation Agent. If Reuters Page LIBOR01 is not available or if no such rate appears thereon, in each case as at such time, the Calculation Agent shall request the principal London office of the Reference Banks selected by it (after consultation with the Class A Swap Counterparty) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for deposits in Sterling at approximately 11:00 a.m. (London time) on the relevant GBP LIBOR |

Determination Date to prime banks in the London inter-bank market for the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time. If two or more of the selected Reference Banks provide the Calculation Agent with such offered quotations, GBP LIBOR for such Interest Period shall be the arithmetic mean of such offered quotations (rounded if necessary to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards). If on the relevant GBP LIBOR Determination Date fewer than two of the selected Reference Banks provide the Calculation Agent with such offered quotations, GBP LIBOR for such Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards) of the rates communicated to (and at the request of) the Calculation Agent by major banks in London, selected by the Calculation Agent (after consultation with the Class A Swap Counterparty), at approximately 11:00 a.m. (London time) on such GBP LIBOR Determination Date for loans in Sterling to leading European banks for such Interest Period and in an amount that is representative for a single transaction in that market at that time;

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| <b>GBP LIBOR Determination Date</b>    | means the first day of the relevant Interest Period;  |
| <b>Global Notes</b>                    | means the Reg S Global Notes and the Rule 144A Global Notes;  |
| <b>Guaranteed Future Value Payment</b> | means, in respect of a PCP Agreement, the amount specified in such Underlying Agreement as being the “Guaranteed Price” in the sales agency agreement between the Seller and the relevant Customer relating to such PCP Agreement;  |
| <b>HMRC</b>                            | means Her Majesty's Revenue & Customs;  |
| <b>holder</b>                          | means the registered owner of a Note and the word <b>holders</b> and related expressions shall (where appropriate) be construed accordingly;  |
| <b>Holdings</b>                        | means Motor 2017-1 Holdings Limited, a private limited company incorporated in England and Wales with registered number 10861997;   |
| <b>IFRS</b>                            | means the International Financial Reporting Standards;  |
| <b>Indirect Participant</b>            | means any person that holds an interest in a Book-Entry Interest (from time to time) through its Participant, including, as applicable, banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with Euroclear or Clearstream, Luxembourg or DTC, either directly or indirectly;  |
| <b>Initial Moody's Required Rating</b> | means that: (1) the long-term counterparty risk assessment of a Swap Counterparty (or of its successor or any relevant third party guarantor) is rated “A3(cr)” or above by Moody's; or (2) the long-term, unsecured and unsubordinated debt or counterparty obligations of a Swap Counterparty (or of its successor or any relevant third party guarantor) are rated A3 or above by Moody's; |
| <b>Initial Portfolio</b>               | means the initial portfolio of Receivables and their Related Collateral transferred by the Seller to the Issuer on the Initial Purchase Date;   |

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| <b>Initial Purchase Date</b>            | means the Closing Date (or such other date as the Seller, the Issuer, the Arranger and the Managers may agree in writing) upon which the Seller sells, and the Issuer purchases, the Initial Portfolio pursuant to the terms of the Receivables Sale Agreement;  |
| <b>Initial Purchase Price</b>           | means the amount of consideration payable by the Issuer to the Seller on the Initial Purchase Date for the Initial Portfolio, being £598,802,048.78;   |
| <b>Initial S&amp;P Required Ratings</b> | means, subject to the provisions applying on certain downgrades of the Class A1 Notes or the Class A2 Notes, as applicable, set forth in the applicable table under “ <i>Triggers Tables—Rating Triggers Table</i> ”, that (i) the short-term, unsecured and unsubordinated debt obligations of a Swap Counterparty are rated A-1 or above by S&P and the long-term, unsecured and unsubordinated debt obligations of a Swap Counterparty are rated A or above by S&P or (ii) the long-term, unsecured and unsubordinated debt obligations of a Swap Counterparty are rated A+ or above by S&P;  |
| <b>Insolvency Act</b>                   | means the Insolvency Act 1986;   |
| <b>Insolvency Event</b>                 | means, in respect of a company: <ul style="list-style-type: none"> <li>(a) such company is unable or admits its inability to pay its debts as they fall due (after taking into account any grace period or permitted deferral), or suspends making payments on any of its debts;</li> <li>(b) the value of the assets of such company is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;</li> <li>(c) a moratorium is declared in respect of any indebtedness of such company;</li> <li>(d) the commencement of negotiations with one or more creditors of such company with a view to rescheduling any indebtedness of such company other than in connection with any refinancing in the ordinary course of business;</li> <li>(e) any corporate action or other procedure or step is taken, and has not been remedied (to the satisfaction of the Trustee) within a period of 30 calendar days from the occurrence of such corporate action or other procedure, in relation to: <ul style="list-style-type: none"> <li>(i) the appointment of an Insolvency Official in relation to such company or in relation to the whole or any part of the undertaking or assets of such company except, in the case of the Issuer, the application to the court under paragraph 12 or the filing of notice of intention to appoint an administrator under paragraph 26 of Schedule B1 to the Insolvency Act by the Issuer or its directors;</li> <li>(ii) an encumbrancer taking possession of the whole or any part of the undertaking or assets of such company;</li> <li>(iii) the making of an arrangement, composition, or compromise</li> </ul> </li> </ul> |

(whether by way of voluntary arrangement, scheme of arrangement or otherwise) with any creditor of such company, a reorganisation of such company, a conveyance to or assignment, assignation or trust for the creditors of such company generally or the making of an application to a court of competent jurisdiction for protection from the creditors of such company generally other than in connection with any refinancing in the ordinary course of business; or

(iv) any distress, diligence, execution, attachment or other process being levied or enforced or imposed upon or against the whole or any part of the undertaking or assets of such company (excluding, in relation to the Issuer, by the Trustee or any Receiver); or

(f) any procedure or step is taken, or any event occurs, analogous to those set out in paragraphs (a) to (e) above, in any jurisdiction;

**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;

**Instalment**

means the monthly obligation of a Customer to pay any principal, interest and finance charges under any relevant Underlying Agreement and any Related Collateral, but shall exclude any Seller Amounts;

**Insurance Agreement**

means, in respect of the definition of Related Collateral, any insurance agreement entered into by the relevant Customer as insurance policy holder in connection with the relevant specified Financed Vehicles or the financing of their acquisition by the relevant Customer;

**Interest Amount**

means:

(a) in respect of a Note for the Interest Period beginning on the Closing Date, interest calculated in respect of that Note in accordance with Condition 6.1 (*Interest Calculation*) for such Interest Period;

(b) in respect of a Note for any subsequent Interest Period, the aggregate of:

(i) interest calculated in respect of that Note in accordance with Condition 6.1 (*Interest Calculation*) for such Interest Period; and

(ii) the amount of any interest due, payable and unpaid in respect of any Note together with accrued interest on such arrears (including Additional Interest); and

(c) in relation to a Class for the Interest Period beginning on the Closing Date or any subsequent Interest Period, the aggregate amount

calculated in accordance with paragraph (a) or (b) respectively above in respect of such Class for such Interest Period;

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| <b>Interest Period</b>         | means, in respect of the First Payment Date, the period commencing on (and including) the Closing Date and ending on (but excluding) the First Payment Date and in respect of any subsequent Payment Date, the period commencing on (and including) a Payment Date and ending on (but excluding) the immediately following Payment Date;  |
| <b>Interest Rate</b>           | means the interest rate payable on the Notes for each Interest Period, which is: <ul style="list-style-type: none"><li>(a) in the case of the Class A1 Notes, 1 month USD LIBOR plus 0.53 per cent. per annum;</li><li>(b) in the case of the Class A2 Notes, 1 month GBP LIBOR plus 0.45 per cent. per annum;</li><li>(c) in the case of the Class B Notes, 1.5 per cent. per annum; and</li><li>(d) in the case of the Class C Note, 2.0 per cent. per annum;</li></ul>   |
| <b>Investment Company Act</b>  | means the United States Investment Company Act of 1940, as amended;   |
| <b>Investor Report</b>         | means the monthly report to be delivered by the Servicer to the Issuer, the Trustee, the Cash Administrator and each Rating Agency for each Collection Period;  |
| <b>Irish Stock Exchange</b>    | means the Irish Stock Exchange Plc;   |
| <b>IRS</b>                     | means the United States Internal Revenue Service;   |
| <b>Issue Price</b>             | means the first price at which a substantial amount of Rule 144A Notes is sold for money, excluding sales to bond houses, brokers, or similar persons or organisation acting in the capacity of underwriters, placement agents, or wholesalers;   |
| <b>Issuer</b>                  | means Motor 2017-1 PLC, a public limited company incorporated in England and Wales with registered number 10862075 as issuer of the Notes;  |
| <b>Issuer Account</b>          | means any of the Transaction Account, the Sterling Account or the Class A1 Swap Reserve Account, and <b>Issuer Accounts</b> means all of them together;   |
| <b>Issuer Covenants</b>        | means the covenants of the Issuer set out in Clause 6 ( <i>Issuer Covenants</i> ) of the Receivables Sale Agreement;  |
| <b>Issuer Event of Default</b> | means: <ul style="list-style-type: none"><li>(a) the Issuer is deemed unable to pay its debts within the meaning of section 123(1)(b), (c) or (d) of the Insolvency Act (as that section may be amended) or becomes unable to pay its debts as they fall due or the Issuer is wound up (except for a voluntary winding-up by its shareholders) or an order is made or an effective resolution is passed for the winding-up of the Issuer or the Issuer initiates or consents or otherwise becomes subject to liquidation, examinership, insolvency, reorganisation or similar proceedings under any applicable law;</li></ul> |

- (b) the Issuer (i) defaults in the payment of any Set Interest Amount due on the Notes of the Controlling Class when the same becomes due and payable to any Swap Counterparty or the Principal Paying Agent (as applicable) on any Payment Date and such default continues for a period of five Business Days or more or (ii) defaults on the payment of any principal due in respect of any Notes of the Controlling Class when the same becomes due and payable to any Swap Counterparty, Principal Paying Agent or U.S. Paying Agent (as applicable) and such default continues for a period of five Business Days or more, **provided that** such a failure to pay principal on the Class C Note or, prior to the Legal Maturity Date, on the Class A Notes or the Class B Notes, will only constitute an Issuer Event of Default if the Available Distribution Amount on the immediately preceding Calculation Date would have been sufficient to pay such amounts in full in accordance with the applicable Priority of Payments;
- (c) the Issuer fails to perform or comply with any one or more of its other obligations (other than a failure to perform or comply with obligations which failure, in the opinion of the Trustee, is not materially prejudicial to the interests of the Noteholders of any Class) and (except where such failure is not capable of remedy when no such notice as is hereinafter referred to will be required) such failure continues for more than 30 calendar days (or such longer period as the Trustee at the direction of the Controlling Class (acting by Extraordinary Resolution) may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (d) a distress, execution, attachment, diligence or other legal process is levied or enforced upon or sued out against all or any substantial part of the assets of the Issuer and is, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders of any Class, and not discharged or does not otherwise cease to apply within 30 calendar days of being levied, enforced or sued out or legal proceedings are commenced for any of the aforesaid, or the Issuer makes a conveyance, assignation, trust or assignment for the benefit of its creditors generally;

**Junior Deferred Consideration**

means:

- (a) on any Payment Date prior to the delivery of an Enforcement Notice, the difference (if any) between the Available Distribution Amount and the sum of all amounts payable or to be applied (as the case may be) by or on behalf of the Issuer under items (a) to (p) (during the Revolving Period but prior to a Principal Payment Trigger Event) or items (a) to (v) (on and after the Revolving Period End Date and prior to a Principal Payment Trigger Event) or (a) to (t) (on or after a Principal Payment Trigger Event) (inclusive) of the Pre-Enforcement Priority of Payments on such Payment Date; and
- (b) on any Payment Date or other date on which the Post-Enforcement Priority of Payments is applied, following the delivery of an Enforcement Notice, the difference (if any) between any amounts standing to the credit of the Issuer Accounts on such date (other than items (1), (2), (3), (4) and (5) in the first paragraph of Condition 7.9)



and the sum of all amounts payable or applied (as the case may be) by or on behalf of the Trustee under items (a) to (o) (inclusive) of the Post-Enforcement Priority of Payments on such Payment Date or other date;

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| <b>LCV</b>                     | means a light commercial vehicle;   |
| <b>Ledgers</b>                 | means the available distribution ledger, the issuer retained profit ledger, the Seller Returns Ledger, the Class A1 Cash Accumulation Ledger, the Reinvestment Principal Ledger, the Reserve Ledger, the Senior Deferred Consideration ledger and any other ledger established by the Cash Administrator in performing the cash administration services, and <b>Ledger</b> means any or all of them;  |
| <b>Legal Maturity Date</b>     | means the Payment Date falling in September 2024;   |
| <b>Liabilities</b>             | means, in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, actions, proceedings or other liabilities whatsoever including legal fees and any taxes and penalties incurred by that person together with any VAT charged or chargeable in respect of any of the sums referred to in this definition;   |
| <b>Listing Agent</b>           | means Walkers Listing Services Limited, which has its registered office at The Anchorage, 17-19 Sir John Rogerson's Quay, Dublin 2, Ireland;  |
| <b>London Business Day</b>     | means any day upon which banks are open for general banking business in London (excluding for the avoidance of doubt any bank holidays or a Saturday or a Sunday);  |
| <b>LTV</b>                     | means loan-to-value ratio;  |
| <b>Managers</b>                | means Santander, Citigroup, RBC and Wells Fargo;  |
| <b>Material Adverse Effect</b> | means, as the context specifies: <ul style="list-style-type: none"><li>(a) a material adverse effect on the validity or enforceability of any of the Transaction Documents;</li><li>(b) in respect of a Transaction Party, a material adverse effect on: (i) the business, operations, assets, property, condition (financial or otherwise) or prospects of such Transaction Party; (ii) the ability of such Transaction Party to perform its obligations under any of the Transaction Documents; or (iii) the rights or remedies of such Transaction Party under any of the Transaction Documents;</li><li>(c) in the context of the Purchased Receivables and Related Collateral, a material adverse effect on the interests of the Issuer or the Trustee in the Purchased Receivables and/or Related Collateral, or on the ability of the Issuer (or the Servicer on the Issuer's behalf) to collect the Purchased Receivables or on the ability of the Trustee to enforce the Security; or</li><li>(d) a material adverse effect on the validity or enforceability of any of the Notes;</li></ul> |

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| <b>Meeting</b>                  | means a meeting of Noteholders of any Class or Classes (whether originally convened or resumed following an adjournment);  |
| <b>Member State</b>             | means a member state of the EU;  |
| <b>Minimum Denomination</b>     | means, in respect of the Class A1 Notes, a minimum issue denomination of \$250,000 and, in respect of the Class A2 Notes, the Class B Notes and the Class C Note, a minimum issue denomination of £100,000, and, for so long as Euroclear or Clearstream, Luxembourg and DTC (as applicable) so permit, integral multiples of (in the case of the Class A1 Notes) \$1,000, (in the case of the Class A2 Notes and the Class B Notes) £1,000, or (in the case of the Class C Note) £1, in excess thereof;   |
| <b>Modification Certificate</b> | has the meaning given to it in Condition 12 ( <i>Meetings of Noteholders, Modifications, Waiver, Substitution and Exchange</i> );  |
| <b>Monthly Report</b>           | means any monthly report in the form (based on a Microsoft Office template) as set out in a schedule to the Servicing Agreement (detailing, among other things, the state of repayment and amounts outstanding on the Purchased Receivables, measures taken in respect of overdue payments and enforcement proceedings in respect of any Related Collateral and the status, development and timing of such proceedings and certifying that no Notification Event or Servicer Termination Event has occurred) or otherwise agreed between the Seller, the Servicer and the Issuer, which shall be prepared by the Servicer with respect to each Collection Period and delivered to the Issuer with a copy to the Cash Administrator, the Back-up Servicer Facilitator, the Trustee and, where the Servicer is not SCUK, the Seller, and published in electronic form on its website at the latest seven Business Days prior to each Payment Date; |
| <b>Moody's</b>                  | means Moody's Investors Service Limited or any successor to its credit rating business;  |
| <b>Negative Carry Event</b>     | means an event that occurs if, on any two consecutive Payment Dates, the balance of the Reinvestment Principal Ledger exceeds £60,000,000 as at the Calculation Date immediately preceding the relevant Payment Date;  |
| <b>Net Sale Proceeds</b>        | means, in relation to the sale of any Financed Vehicle pursuant to the application of Enforcement Procedures in relation to an Underlying Agreement: <ul style="list-style-type: none"> <li>(a) in a case where the amount received by or on behalf of the Seller in connection with such sale constitutes the consideration for a taxable supply by the Seller for VAT purposes, the result of applying <math>1/(1 + VR)</math> to the total amount received by or on behalf of the Seller in connection with such sale (where <b>VR</b> is the VAT rate applicable to the supply arising from such sale for VAT purposes, expressed as a number rounded to the second decimal point); and</li> <li>(b) in a case other than one falling within paragraph (a) above, the total amount received by or on behalf of the Seller in connection with such sale;</li> </ul>   |
| <b>Non-Compliant Receivable</b> | means each Purchased Receivable in respect of which any Seller Asset Warranty Breach has occurred on the relevant Reference Date;  |

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| <b>Non-Compliant Receivable Repurchase Price</b> | <p>means, on the date of the repurchase of a Non-Compliant Receivable, an amount calculated by the Servicer as equal to the aggregate (in each case, in respect of the relevant Non-Compliant Receivable and as at the date of repurchase and without double-counting) of:</p> <ul style="list-style-type: none"> <li>(a) the Asset Amount Outstanding; <i>plus</i></li> <li>(b) all other amounts due from the relevant Customer; <i>plus</i></li> <li>(c) unpaid interest or finance charges accrued (but not yet due and payable); <i>plus</i></li> <li>(d) the reasonable costs of the Issuer in relation to such repurchase; <i>less</i></li> <li>(e) any interest or finance charges recovered or received by the Issuer but not yet accrued,</li> </ul> <p>in each case, excluding any of the foregoing to the extent that (i) they comprise an Excluded Right or the Guaranteed Future Value Payment component of any PCP Agreement or (ii) any payments in respect of them would, upon receipt by the Issuer, comprise a Seller Amount, an amount held on trust for the benefit of the Seller in accordance with the Receivables Sale Agreement or Collections and the Guaranteed Future Value Payment component of any PCP Agreement;</p> |
| <b>Non-Responsive Rating Agency</b>              | <p>means a Rating Agency which (a) indicates that it does not consider a Rating Agency Confirmation or response necessary in the circumstances or (b) within 30 days of a written request for such Rating Agency Confirmation or response delivered to that Rating Agency by or on behalf of the Issuer (copied to the Trustee), provides no confirmation, response or statement that such confirmation or response could not be given;</p>   |
| <b>Northern Irish Receivables</b>                | <p>means the Purchased Receivables governed by or otherwise subject to Northern Irish law;</p>  |
| <b>Note Principal Amount Outstanding</b>         | <p>means, in relation to a Note on any day, the principal amount of such Note upon issue as reduced by all amounts paid prior to such date on such Note in respect of principal;</p>  |
| <b>Noteholders</b>                               | <p>means the Class A Noteholders, the Class B Noteholders and the Class C Noteholder or, where the context otherwise requires, the holders of Notes of a particular Class or Classes;</p>   |
| <b>Notes</b>                                     | <p>means the Class A Notes or, as the context requires, any Class or Classes thereof, the Class B Notes and the Class C Note;</p>   |
| <b>Notice of Sale</b>                            | <p>means a notice regarding the sale of the Initial Portfolio or, as the case may be, of Further Receivables and their Related Collateral in, or substantially in, the form of the document so named set out in Schedule 1 (<i>Form of Notice of Sale</i>) to the Receivables Sale Agreement;</p>   |
| <b>Notification Event</b>                        | <p>means each of the events set out below:</p> <ul style="list-style-type: none"> <li>(a) the delivery by the Trustee to the Issuer of an Enforcement Notice in</li> </ul>  |

accordance with the Conditions;

- (b) the occurrence of an Insolvency Event in respect of the Seller;
- (c) the occurrence of a Servicer Termination Event;
- (d) the Seller being required to deliver the Notification Event Notice by a requirement of law; or
- (e) the Security or any material part of the Security being in jeopardy in the sole determination of the Trustee and it being considered necessary or desirable by the Trustee in its sole discretion for a Notification Event Notice to be delivered by the Servicer in order to materially reduce such jeopardy;

**Notification Event Notice** means a notice in, or substantially in, the form so named set out in Schedule 9 (*Form of Notification Event Notice*) to the Receivables Sale Agreement;

**NRSROs** means “nationally recognized statistical rating organizations”;

**NSS** means the New Safekeeping Structure for Global Notes which are intended to constitute eligible collateral for Eurosystem monetary policy operations;

**Official List** means the official list maintained by the Irish Stock Exchange, to which the Notes are admitted, and which is regulated by the listing rules established by the Irish Stock Exchange;

**OFT** means the Office of Fair Trading;

**outstanding** means, in relation to the Notes, all the Notes other than:

- (a) those which have been redeemed in full and cancelled in accordance with the Conditions and the Agency Agreement;
- (b) those in respect of which the date for redemption, in accordance with the provisions of the Conditions, has occurred and for which the redemption monies (including all interest accrued thereon to such date for redemption) have been duly paid to the Trustee or the Principal Paying Agent in the manner provided for in the Agency Agreement (and, where appropriate, notice to that effect has been given to the Noteholders in accordance with the Notices Condition) and remain available for payment in accordance with the Conditions;
- (c) those which have been surrendered for cancellation as provided in Condition 7 (*Redemption*) and the Agency Agreement and notice of the cancellation of which has been given to the Trustee;
- (d) those which have become void under the Conditions;
- (e) those mutilated or defaced Notes which have been surrendered or cancelled and those Notes which are alleged to have been lost, stolen or destroyed and in all cases in respect of which replacement Notes have been issued pursuant to the Conditions; and
- (f) any Global Note, to the extent that it shall have been exchanged for Definitive Notes of the same Class pursuant to the provisions

contained therein and the Conditions,

**provided that**, for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of Noteholders;
- (ii) the determination of how many and which Notes are for the time being outstanding for the purposes of Clause 14 (*Waiver*), Clause 15 (*Modifications*), Clause 18 (*Proceedings and Actions by the Trustee*), Clause 29 (*Appointment of Trustees*) and Clause 30 (*Notice of a New Trustee*) of the Trust Deed and Condition 3.8 (*Issuer Event of Default*), Condition 3.4 (*Enforcement of Payment Obligations*) and Condition 12 (*Meetings of Noteholders, Modifications, Waiver, Substitution and Exchange*) and the Provisions for Meetings of Noteholders in the Trust Documents; and
- (iii) any discretion, power or authority, whether contained in the Trust Deed or provided by law, which the Trustee is required to exercise in or by reference to the interests of the Noteholders or any Class of them,

those Notes (if any) which are for the time being held by the Issuer, the Seller or any of its Affiliates shall be deemed not to be or remain outstanding, unless the Seller (or any of its Affiliates) holds 100 per cent. of the Notes then outstanding, in which case those Notes shall be deemed to be outstanding;

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| <b>Overdue Receivable</b> | means any Delinquent Receivable which is three or more Instalments overdue;  |
| <b>Participants</b>       | means persons who have accounts with Euroclear or Clearstream, Luxembourg or DTC and hold Book-Entry Interests;  |
| <b>Paying Agent</b>       | means the Principal Paying Agent, the U.S. Paying Agent and/or, as the case may be, any other paying agent appointed in accordance with the terms of the Agency Agreement;   |
| <b>Payment Date</b>       | means the 25th day of each calendar month, unless such date is not a Business Day, in which case the payment date shall be the next succeeding Business Day unless such day would thereby fall into the next calendar month, in which case the payment date will be the immediately preceding Business Day in the same calendar month, commencing on the First Payment Date;   |
| <b>Payment Report</b>     | means a report substantially in the form set out in Schedule 2 ( <i>MOTOR 2017-1 Payment Report Contents</i> ) of the Cash Administration Agreement which shall include, among other things, information with respect to the Notes (including interest and principal payments, original and outstanding balances and pool factors), Available Distribution Amount, Collections, Reserve Ledger, amounts, if any, due under a Swap Agreement, Authorised Investments, Class A1 Cash Accumulation Ledger balance and payments to Noteholders in respect of interest and principal; |
| <b>PCP Agreements</b>     | means fixed interest rate conditional sale contracts entered into by the Seller and Customers, with retention of title to the Financed Vehicles, and under which, if the Customer opts to retain the related Financed Vehicle at the end of the contract term, a final instalment in the form of a Guaranteed Future   |

Value Payment in an amount specified in the relevant contract becomes due from the Customer, upon payment of which the Customer acquires full legal title to such Financed Vehicle;

**PCS Label**

means the Prime Collateralised Securities Label;

**Permitted Variation**

means any alteration, modification or addition to any Underlying Agreement other than one:

- (a) which amends, modifies or removes the right of the Seller to increase the repayments due under the relevant Underlying Agreement as a result of the relevant Customer ceasing to pay by direct debit sums due under such Underlying Agreement;
- (b) which reduces the interest payable under such Underlying Agreement;
- (c) which amends, modifies or removes any provision relating to payment of interest on overdue amounts;
- (d) which reduces the Asset Amount Outstanding of the relevant Purchased Receivables;
- (e) which extends the term of the Underlying Agreement over 72 months;
- (f) which amends, modifies or removes any provision relating to delivery of notices to the relevant Customer, other than a minor, technical or administrative amendment; or
- (g) which amends, modifies or removes any provision to the effect that sums due under such Underlying Agreement shall be payable in arrears;

**Plan Asset Regulation**

means a regulation promulgated by the DOL describing what constitutes the assets of a Plan with respect to the Plan's investment in an entity for purposes of ERISA's fiduciary provisions and Section 4975 of the Code;

**Plans**

means ERISA Plans and plans that are not subject to Title I of ERISA but that are subject to Section 4975 of the Code, such as individual retirement accounts;

**Portfolio**

means on any day the Purchased Receivables and their Related Collateral on such day;

**Post-Enforcement Priority of Payments**

means the priority of payments specified in Condition 7.9 (*Post-Enforcement Priority of Payments*);

**Pre-Closing Interest Amounts**

means any amounts received by the Issuer in respect of the Purchased Receivables in the Portfolio after the Purchase Date on which the relevant Purchased Receivables were purchased by the Issuer in respect of arrears accrued prior to the Reference Date immediately preceding such Purchase Date, other than any arrears which have been capitalised as at the Reference Date;

**Pre-Enforcement Priority of Payments**

means the priority of payments specified in Condition 7.8 (*Pre-Enforcement Priority of Payments*);

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| <b>Principal Deficiency Trigger Event</b>     | means an event that occurs if the sum of the Class A Notes Principal, the Class B Notes Principal and the Class C Note Principal as at any Calculation Date, having given effect to any payments of principal that would be made on the following Payment Date were a Principal Payment Trigger Event not to occur on such date, minus the sum of the Adjusted Aggregate Asset Amount Outstanding and any amounts credited to the Class A1 Cash Accumulation Ledger (including any amounts that would be credited to the Class A1 Cash Accumulation Ledger were a Principal Payment Trigger Event not to occur with respect to such Calculation Date) is greater than £47,250,000  |
| <b>Principal Paying Agent</b>                 | means Elavon Financial Services DAC, UK Branch and any successor or assignee thereof;  |
| <b>Principal Payment Trigger Event</b>        | means an event that occurs if (i) prior to the Revolving Period End Date, (a) the sum of the Adjusted Aggregate Asset Amount Outstanding and any amounts credited to the Reinvestment Principal Ledger (including any amounts that would be credited to the Reinvestment Principal Ledger were a Principal Payment Trigger Event not to occur with respect to such Calculation Date) falls below the sum of the Class A Notes Principal, the Class B Notes Principal and the Class C Note Principal as at any Calculation Date, having given effect to any payments that would be made on the following Payment Date were a Principal Payment Trigger Event not to occur on such date, or (b) a Revolving Period Termination Event occurs, or (ii) on and after the Revolving Period End Date, the sum of the Adjusted Aggregate Asset Amount Outstanding and any amounts credited to the Class A1 Cash Accumulation Ledger (including any amounts that would be credited to the Class A1 Cash Accumulation Ledger were a Principal Payment Trigger Event not to occur with respect to such Calculation Date) falls below the sum of the Class A Notes Principal, the Class B Notes Principal and the Class C Note Principal as at any Calculation Date, having given effect to any payments of principal that would be made on the following Payment Date were a Principal Payment Trigger Event not to occur on such date; |
| <b>Priority of Payments</b>                   | means the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments or both of them;   |
| <b>Prospectus</b>                             | means this prospectus dated 19 September 2017 prepared by the Issuer in connection with the issuance of the Notes;   |
| <b>Prospectus Directive</b>                   | means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measures in the relevant Member State;  |
| <b>Provisions for Meetings of Noteholders</b> | means the provisions contained in Schedule 10 ( <i>Provisions for Meetings of Noteholders</i> ) to the Trust Deed;   |
| <b>Purchase Date</b>                          | means any of the Initial Purchase Date and each Further Purchase Date (as applicable);   |
| <b>Purchase Price</b>                         | means: <ul style="list-style-type: none"> <li>(a) in respect of the Initial Portfolio, the amount of the consideration payable by the Issuer for the purchase of the Purchased Receivables and their Related Collateral in the Initial Portfolio, such amount being</li> </ul>   |

equal to the aggregate of:

- (i) the Initial Purchase Price;
  - (ii) the Senior Deferred Consideration payable in accordance with Clause 4.3 (*Payment of Deferred Consideration*) of the Receivables Sale Agreement; and
  - (iii) the Junior Deferred Consideration payable in accordance with Clause 4.3 (*Payment of Deferred Consideration*) of the Receivables Sale Agreement; and
- (b) in respect of any Further Receivables and their Related Collateral the amount of the consideration payable by the Issuer for the purchase of such Further Receivables and their Related Collateral, such amount being equal to the aggregate of:
- (i) the Further Receivables Purchase Price payable in respect of each such Further Receivable and its Related Collateral;
  - (ii) the Senior Deferred Consideration payable in accordance with Clause 4.3 (*Payment of Deferred Consideration*) of the Receivables Sale Agreement; and
  - (iii) the Junior Deferred Consideration payable in accordance with Clause 4.3 (*Payment of Deferred Consideration*) of the Receivables Sale Agreement;

**Purchased Receivable** means any Receivable which is sold and assigned or purported to be sold and assigned by the Seller to the Issuer or held on trust or purported to be held on trust by the Seller for the Issuer in accordance with or pursuant to the terms of the Receivables Sale Agreement including, without limitation, any Receivable which has been transferred to the Issuer on a Further Purchase Date and which, for the avoidance of doubt, has not been repurchased by the Seller;

**QIBs** means “qualified institutional buyers” as defined in Rule 144A under the Securities Act;

**RAO** means The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, as amended;

**Rating Agencies** means S&P and Moody’s;

**Rating Agency Confirmation** means any written confirmation or affirmation from the relevant Rating Agencies that the then current ratings of the Class A Notes or the Class B Notes will not be reduced, qualified or withdrawn thereby;

**Realisation** means, in relation to any Security, the deriving, to the fullest extent practicable, (in accordance with the provisions of the Transaction Documents) of proceeds from or in respect of such Security including (without limitation) through sale or through performance by a Customer;

**Receivable** means any and all claims and rights of the Seller against a Customer under or in connection with the relevant Underlying Agreement (including all payments due from the Customer under the relevant Underlying Agreement



(including any Guaranteed Future Value Payments, VAT, insurance payments or related fees and expenses due and payable by the Customer under the terms of the Underlying Agreement));

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| <b>Receivables Sale Agreement</b>    | means the agreement so named dated on or about the Closing Date between the Issuer, the Seller and the Trustee;   |
| <b>Receiver</b>                      | means any receiver and manager, receiver or manager, or administrative receiver appointed in respect of the Issuer by the Trustee in accordance with the Deed of Charge;  |
| <b>Record Date</b>                   | means (i) for so long as the Notes are represented by Global Notes, one Clearing System Business Day prior to each Payment Date, and (ii) if the Notes are represented by Definitive Notes, 15 days prior to each Payment Date;   |
| <b>Records</b>                       | means, with respect to any Purchased Receivable, Related Collateral, Financed Vehicle and the related Customers, all material contracts, correspondence, files, notes of dealings and other documents, books, books of accounts, registers, records and other information regardless of how stored;   |
| <b>Reference Banks</b>               | means, in relation to GBP LIBOR and USD LIBOR, four major banks in the London inter-bank market selected by the Calculation Agent;  |
| <b>Reference Date</b>                | means, in respect of the Initial Purchase Date, 31 August 2017 and, in respect of any Further Purchase Date, the Calculation Date immediately preceding such Purchase Date;   |
| <b>Reg S Global Notes</b>            | means the global notes in a fully registered form offered pursuant to Regulation S;   |
| <b>Reg S Notes</b>                   | means Class A Notes and Class B Notes offered pursuant to Regulation S;   |
| <b>Register</b>                      | means the register maintained with the Registrar or the U.S. Registrar, as applicable, in respect of title from time to time to the Notes;  |
| <b>Registrar</b>                     | means Elavon Financial Services DAC and any successor or assignee thereof appointed pursuant to the Agency Agreement;   |
| <b>Regulation S</b>                  | means Regulation S under the Securities Act;  |
| <b>Reinvestment Principal Ledger</b> | means a ledger in the Sterling Account to which the amounts under item (m) (during the Revolving Period) of the Pre-Enforcement Priority of Payments are credited;  |
| <b>Related Collateral</b>            | means with respect to any Purchased Receivable:<br><br>(a) any and all other present and future claims and rights in respect of the relevant Underlying Agreement, including, without limitation, (i) amounts (if any) received (after the Reference Date immediately preceding the Purchase Date on which such Purchased Receivable was purchased by the Issuer) by the Seller arising from claims by a Customer against the relevant insurer under any Insurance Agreement and (ii) amounts received (after the Reference Date immediately preceding the Purchase Date on which such Purchased Receivable |

was purchased by the Issuer) by the Seller arising from damage compensation claims based on contracts or torts against the respective Customers or against third parties (including insurers) due to damage to, or loss of, the Financed Vehicles;

- (b) any sureties, guarantees, and any and all present and future rights and claims or arrangements from time to time supporting or securing payment of such Purchased Receivable whether pursuant to the Underlying Agreement relating to such Purchased Receivable or otherwise;
- (c) any and all proceeds which arise (present and future, but, after the Reference Date immediately preceding the Purchase Date on which such Purchased Receivable was purchased by the Issuer) in relation to any claim made by the Seller under an insurance policy held by the Seller pursuant to Part 9 (Insurances) of Schedule 1 to the Servicing Agreement, **provided that** such proceeds relate to a Purchased Receivable;
- (d) any claims to receive proceeds which arise (after the Reference Date immediately preceding the Purchase Date on which such Purchased Receivable was purchased by the Issuer) from the disposal of or recourse to the Related Collateral, excluding any costs incurred by the Seller or the Servicer in connection with such disposal or recourse and any amounts which are due to the relevant Customer in accordance with the relevant Underlying Agreement; and
- (e) all Records relating to the Purchased Receivables and/or the Related Collateral under items (a), (b), (c) and (d) above,

including, in each case, any claims to receive proceeds which arise from the disposal of the Financed Vehicles after the Reference Date and, for the avoidance of doubt, any rights or benefits specified in items (a) to (d) above shall only constitute Related Collateral if and when the Seller has title to and is able to transfer such rights or benefits;

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| <b>Relevant Exchange Rate</b> | means, in relation to the Class A1 Notes, the exchange rate of USD 1.321 to GBP 1 specified in the Class A1 Swap Agreement (notwithstanding its termination);           |
| <b>Relevant Margin</b>        | means, in respect of each Class of Notes, the applicable margin set out on the first page of this Prospectus;   |
| <b>Relevant Multiplier</b>    | means such multiplier determined by the Seller from time to time and notified to the Issuer in a Repurchase Notice relating to the repurchase of Defaulted Receivables; |
| <b>Relevant Period</b>        | means, in relation to a Calculation Date, the length in months of the related Interest Period;  |
| <b>Reporting Date</b>         | means, in relation to any Calculation Date, the seventh Business Day preceding the Payment Date following such relevant Calculation Date;                               |
| <b>Representative Amount</b>  | means an amount that is representative for a single transaction in the relevant market at the relevant time;  |

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| <b>Repurchase Notice</b>                 | means a notice in substantially the same form as set out in Schedule 2 ( <i>Form of Notice of Repurchase</i> ) to the Receivables Sale Agreement;  |
| <b>Repurchase Price</b>                  | means the then Aggregate Asset Amount Outstanding plus accrued (but unpaid) interest and/or finance charges thereon; <b>provided that</b> the Repurchase Price must be sufficient to fully satisfy the payment obligations of the Issuer under the Notes together with all amounts ranking prior to the Notes in the relevant Priority of Payments;  |
| <b>Required Liquidity Reserve Amount</b> | <p>means:</p> <p>(a) on any Calculation Date prior to the Amortisation Threshold Date, 1.6 per cent. of the Aggregate Note Principal Amount Outstanding in respect of the Class A Notes and the Class B Notes as at the Closing Date; and</p> <p>(b) on any Calculation Date falling on or after the Amortisation Threshold Date, 3.2 per cent. of the Aggregate Note Principal Amount Outstanding in respect of the Class A Notes and the Class B Notes as at the relevant Calculation Date,</p> <p><b>provided that</b>, in the case of either (a) or (b) above, the Required Liquidity Reserve Amount will be equal to zero if (i) the Aggregate Asset Amount Outstanding is zero, or (ii) the Aggregate Note Principal Amount Outstanding of the Class A Notes and the Class B Notes has been reduced to zero;</p> |
| <b>Required Ratings</b>                  | means, as applicable, the Initial S&P Required Ratings, the Initial Moody's Required Rating, the Subsequent S&P Required Ratings or the Subsequent Moody's Required Rating;  |
| <b>Required Reserve Amount</b>           | means, on the Closing Date and on any Calculation Date, the Reserve Percentage of the Uncollateralised Aggregate Note Principal Amount Outstanding on the Closing Date;  |
| <b>Reserve Fund</b>                      | means a reserve fund providing limited protection against shortfalls in the amounts required to pay senior expenses in accordance with the relevant Priority of Payments and interest and principal on the Class A Notes and the Class B Notes and certain other items ranking prior thereto, initially funded in an amount equal to £9,004,814.53 from the Subordinated Loan Advance and replenished by a portion of the Available Distribution Amount pursuant to the Pre-Enforcement Priority of Payments;  |
| <b>Reserve Ledger</b>                    | means a ledger in the Transaction Account to which the Reserve Fund is credited;   |
| <b>Reserve Percentage</b>                | means 1.6 per cent.;   |
| <b>Reserve Shortfall</b>                 | means a shortfall that shall occur if the amounts standing to the credit of the Reserve Ledger on any Payment Date, after crediting the Reserve Ledger in accordance with item (j) (during the Revolving Period), item (q) (on and after the Revolving Period End Date and prior to a Principal Payment Trigger Event) or item (o) (on or after a Principal Payment Trigger Event), in each case of the Pre-Enforcement Priority of Payments, fall short of the Required Reserve Amount on the Calculation Date immediately preceding such   |

Payment Date;

- Reserved Matter** has the meaning given to it in Condition 12 (*Meetings of Noteholders, Modifications, Waiver, Substitution and Exchange*);
- Retention Holder** means the Seller in its capacity as originator (under the E.U. Risk Retention Requirements) and sponsor (under the U.S. Credit Risk Retention Requirements)
- Revolving Period** means the period of time beginning on (and including) the Closing Date and ending on (but excluding) the earlier of (i) the Revolving Period End Date and (ii) the Revolving Period Termination Date;
- Revolving Period End Date** means the Payment Date falling in October 2018;
- Revolving Period Termination Date** means the date on which a Revolving Period Termination Event occurs;
- Revolving Period Termination Event** means the occurrence of any of the following:
- (a) an Issuer Event of Default or Notification Event;
  - (b) a change of control with respect to the Seller, and for the purposes of this definition, the Seller will be treated as being under the control of a person if such person:
    - (i) has the power (whether by any ownership of shares, proxy, contract, agency or otherwise) to cast, or control the casting of, more than 50 per cent. of the maximum number of votes that might be cast at a general meeting of the Seller, or appoint or remove all, or the majority, of the directors or other equivalent officers of the Seller or give directions with respect to the operating and financial policies of the Seller with which the directors or other equivalent officers of the Seller are obliged to comply; or
    - (ii) holds (directly or indirectly) more than 50 per cent. of the issued share capital or membership rights of or in the Seller;
  - (c) a Negative Carry Event;
  - (d) the Three Month Moving Average of Delinquent Receivables as at the related Calculation Dates expressed as a percentage of the Aggregate Asset Amount Outstanding of the Purchased Receivables on such Calculation Dates exceeds 1 per cent.;
  - (e) a Principal Payment Trigger Event;
  - (f) an Event of Default or Termination Event under the Swap Agreements (each as defined therein);
  - (g) a Reserve Shortfall; or
  - (h) the Cumulative Gross Defaulted Receivables expressed as a percentage of the Aggregate Asset Amount Outstanding of the Initial Portfolio (excluding any amounts apportioned by the Servicer to the

Guaranteed Future Value Payment component of Purchased Receivables subject to PCP Agreements) exceeds 1.25 per cent.;

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| <b>Right</b>                          | has the meaning given to it in the definition of Benefit above;   |
| <b>Rounded Arithmetic Mean</b>        | means the arithmetic mean (rounded, if necessary, to the nearest 0.0001 per cent., 0.00005 per cent. being rounded upwards);  |
| <b>Rule 144A</b>                      | means Rule 144A under the Securities Act;   |
| <b>Rule 144A Global Notes</b>         | means the global notes in a fully registered form offered pursuant to Rule 144A;  |
| <b>Rule 144A Notes</b>                | means Class A Notes and Class B Notes offered pursuant to Rule 144A;  |
| <b>S&amp;P</b>                        | means Standard & Poor's Credit Markets Services Europe Limited or any successor to its credit rating business;  |
| <b>S&amp;P Replacement Options</b>    | means "Replacement Option 1" and "Replacement Option 2" as set forth in the applicable Swap Agreement and as described under " <i>Triggers Tables—Rating Triggers Table</i> ";  |
| <b>Santander UK</b>                   | means Santander UK plc (registered number 02294747) whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN, United Kingdom;  |
| <b>SCUK</b>                           | means Santander Consumer (UK) plc (registered number 02248870) whose registered office is at Santander House, 86 Station Road, Redhill, Surrey RH1 1SR, United Kingdom;   |
| <b>Scheduled Amortisation</b>         | means the scheduled redemption payments in respect of the Class A1 Notes as set out in Condition 7.1 ( <i>Scheduled Redemption</i> );   |
| <b>Scheduled Payments</b>             | means the generally equal contractual monthly payments of interest and principal (excluding any Guaranteed Future Value Payment) due under a Conditional Sale Agreement and/or PCP Agreement, as applicable;  |
| <b>Scottish Receivables</b>           | means the Purchased Receivables governed by or otherwise subject to Scots law;  |
| <b>Scottish Supplemental Security</b> | means each Scots law governed assignment in security entered into on (i) the Closing Date and (ii) any Further Purchase Date, by the Issuer in favour of the Trustee;   |
| <b>Scottish Transfer</b>              | means each Scots law governed assignment and trust deed entered into on (i) the Closing Date and (ii) any Further Purchase Date, by the Seller in favour of the Issuer;   |
| <b>Screen</b>                         | means, in relation to Sterling:<br><br>(a) Reuters page LIBOR01 (or such other page as may replace such page on that service for the purpose of displaying the London interbank offered rate); or<br><br>(b) if that service ceases to display such information, such page as displays such information on such service (or, if more than one, that |

one previously approved in writing by the Trustee) as may replace such screen;

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| <b>SEC</b>                                  | means the U.S. Securities and Exchange Commission;   |
| <b>Secured Amounts</b>                      | means the aggregate of all monies and Liabilities which from time to time are or may become due, owing or payable by the Issuer to each, some or any of the Secured Creditors under the Notes or the Transaction Documents;  |
| <b>Secured Creditors</b>                    | means the Trustee, the Noteholders, the Servicer, the Seller, the Class A1 Swap Counterparty, the Class A Swap Counterparty, the Account Bank, the Transaction Account Bank, the Cash Administrator, the Principal Paying Agent, the U.S. Paying Agent, the Registrar, the U.S. Registrar, the Subordinated Loan Provider, the Agent Bank, the Calculation Agent, the Corporate Administrator, the DTC Custodian, any Appointee and any Receiver appointed pursuant to the Deed of Charge; |
| <b>Secured Obligations</b>                  | means the obligations of the Issuer that are subject to the Security;  |
| <b>Securities Act</b>                       | means the United States Securities Act of 1933, as amended;  |
| <b>Security</b>                             | means the first ranking security interests created by the Issuer pursuant to the Deed of Charge and any Scottish Supplemental Security;  |
| <b>Seller</b>                               | means SCUK in its capacity as the seller of the Purchased Receivables and Related Collateral;  |
| <b>Seller Accounts</b>                      | means the bank accounts held in the name of the Seller at Santander UK plc and the bank accounts held in the name of the Seller at The Royal Bank of Scotland plc, to which monies from the Customers under the Underlying Agreements are paid, as well as any other bank account specified as such by or on behalf of the Seller in the future in addition to or as substitute for such Seller Accounts;  |
| <b>Seller Accounts Declaration of Trust</b> | means the declaration of trust to be dated on or about the Closing Date made by SCUK in relation to the Seller Accounts;   |
| <b>Seller Amount</b>                        | means any amount received by the Issuer (or by the Servicer on behalf of the Issuer) in respect of any Excluded Right;   |
| <b>Seller Asset Warranty</b>                | means the representations and warranties set out in Clause 7.3 ( <i>Asset Representations and Warranties of the Seller</i> ) of the Receivables Sale Agreement;  |
| <b>Seller Asset Warranty Breach</b>         | means a breach of a Seller Asset Warranty in respect of which the relevant matter or circumstance materially and adversely affects the Issuer's interest in the affected Purchased Receivable (without regard to credit enhancement if any) and which, if such matter or circumstance is capable of remedy, has not been remedied within 30 Business Days of the Seller becoming actually aware, or being notified, of the occurrence of such breach;                                      |
| <b>Seller's Group</b>                       | means the Seller, together with:<br><br>(a) its holding companies;   |

- (b) its subsidiaries; and
- (c) any other affiliated company as set out in the published accounts of any such company,

but excluding any entities that are in the business of investing in securities and whose investment decisions are taken independently of, and at arm's length from, the Seller;

**Seller Returns Ledger** means a ledger established by the Issuer pursuant to the Cash Administration Agreement to which any Seller Amounts will be credited;

**Seller Warranty** means each of the representations and warranties set out in Clause 7.1 (*Corporate Representations and Warranties of the Seller*), Clause 7.2 (*Transaction Document Representations and Warranties of the Seller*), Clause 7.4 (*Unfair Terms in Consumer Contracts Regulations 1999 and Consumer Rights Act 2015 representations of the Seller*), Clause 7.5 (*Consumer Credit representations of the Seller*) and Clause 7.6 (*Data Protection Act representations of the Seller*) of the Receivables Sale Agreement and in Clause 7 (*Representations and Warranties*) of the Servicing Agreement;

**Seller Warranty Breach** means a breach of a Seller Warranty which has a Material Adverse Effect and which, for the avoidance of doubt, is not also a Seller Asset Warranty Breach;

**Senior Deferred Consideration** means any amount received from a Customer in respect of any Purchased Receivables and Related Collateral which is apportioned by the Servicer to the Guaranteed Future Value Payment component of a PCP Agreements (to the extent such amounts constitute Collections) pursuant to the terms of the Receivables Sale Agreement and the Servicing Agreement;

**Servicer** means SCUK and any successor thereof or Successor Servicer appointed by the Issuer in accordance with the Servicing Agreement;

**Servicer Termination Event** means the occurrence of any of the following events:

- (a) the Servicer fails to make a payment due under the Servicing Agreement at the latest on the second Business Day after its due date, or, in the event no due date has been determined, if payable, within three Business Days after a written demand for payment;
- (b) following a demand for performance, the Servicer fails within five Business Days to perform its material (as determined by the Issuer) obligations (other than those referred to in paragraph (a) above) owed to the Issuer under the Servicing Agreement and such failure would, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders of the Controlling Class;
- (c) the Servicer is unable to pay its debts when they fall due and:
  - (i) intends to commence insolvency or reorganisation proceedings; or
  - (ii) is subject to insolvency or dissolution proceedings and fails to remedy or contest in good faith such status within 60

Business Days; or

- (d) any material licence, authorisation or registration of the Servicer required with respect to the Servicing Agreement and the Services is revoked or restricted;

**Servicer Termination Notice** means a notice to the Servicer from the Issuer or the Trustee (as the case may be) delivered in accordance with the terms of Clause 16 (*Servicer Termination Events, Notification Events*) of the Servicing Agreement;

**Services** means the services to be provided by the Servicer as set out in Schedule 1 (*Services to be provided by Servicer*) to the Servicing Agreement;

**Servicing Agreement** means the agreement so named dated on or about the Closing Date between the Issuer, the Servicer, the Back-up Servicer Facilitator, the Seller and the Trustee;

**Set Interest Amount** means, on each Payment Date:

- (a) in respect of the Class A1 Notes,
  - (i) if the Class A1 Swap has not been terminated, the sum of (1) the Class A1 Set Interest Issuer Payment due by the Issuer to the Class A1 Swap Counterparty under the Class A1 Swap on such Payment Date, in exchange for which the Class A1 Set Interest Swap Counterparty Payment (including any Additional Interest relating thereto payable pursuant to the Class A1 Swap Agreement, but excluding, for the avoidance of doubt, any payments with respect to principal of the Class A1 Notes that might be due on such Payment Date) is payable by the Class A1 Swap Counterparty and (2) the Class A1 Additional GBP Set Interest Amount, or
  - (ii) if the Class A1 Swap has been terminated, the sum of (1) the GBP amount to be converted into USD at the Spot Rate equal to the Class A1 Set Interest Issuer Payment that would have been payable by the Issuer to the Class A1 Swap Counterparty on such Payment Date if such Class A1 Swap had not been so terminated and (2) an additional GBP amount to be converted into USD at the Spot Rate equal to USD LIBOR plus the Relevant Margin payable in respect of the Class A1 Notes on the excess of the Note Principal Amount Outstanding of the Class A1 Notes over the Class A1 Maximum Swap Notional on the relevant Payment Date; provided that such additional amount shall not be less than zero; and
- (b) in respect of the Class A2 Notes, the Class B Notes and the Class C Note, the Interest Amount (including any Additional Interest relating thereto) on such Notes calculated in accordance with Condition 6.1 (*Interest Calculation*);

**Share Declaration of Trust** means the discretionary trust constituted by a declaration of trust dated 27 July 2017 setting out the terms under which the entire issued share capital of Holdings is held by the Share Trustee;



|   |   |
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| <b>Share Trustee</b>                                    | means Intertrust Corporate Services Limited as share trustee or the trustee or trustees for the time being of the Share Declaration of Trust;   |
| <b>Similar Law</b>                                      | means, in respect of any employee benefit plan, U.S. federal, state, local, non-U.S. or other law that is substantially similar to Section 406 of ERISA or Section 4975 of the Code;  |
| <b>Special U.S. Tax Counsel</b>                         | means Allen & Overy LLP;  |
| <b>Spot Rate</b>  | means (a) for any party except the Cash Administrator, Santander UK's spot rate of exchange for the purchase of the Applicable Currency with Sterling in the London foreign exchange market at or about 11:00 a.m. on a particular day and (b) for the Cash Administrator, the Cash Administrator's own internal FX conversion rate for same day settlement, which conversion shall be conducted in a commercially reasonable manner, similar to that which is effected for its other customers. In no event shall the Cash Administrator be liable to any party for the conversion rate so obtained;   |
| <b>SPV Criteria</b>                                     | means the criteria established from time to time by the Rating Agencies for a single purpose company in England and Wales;  |
| <b>Standard Form Underlying Agreements</b>              | means those Underlying Agreements in place at the Closing Date as described in the section headed " <i>Description of the Portfolio</i> " in this Prospectus save as amended in accordance with the Seller's Credit and Collection Policy from time to time;  |
| <b>Sterling Account</b>                                 | means the Sterling denominated interest-bearing bank account held in the name of the Issuer at the Account Bank, as well as any other Sterling denominated bank accounts specified as such by or on behalf of the Issuer with the consent of the Trustee in the future in addition to or in substitution for such Sterling Account in accordance with the Account Bank Agreement and the Deed of Charge;  |
| <b>Sterling Equivalent Principal Amount Outstanding</b> | means: <ul style="list-style-type: none"> <li>(a) in relation to the Class A1 Notes, the sterling equivalent of the Note Principal Amount Outstanding of such Notes ascertained using the Relevant Exchange Rate relating to such Notes; and</li> <li>(b) in relation to the Class A2 Notes, the Class B Notes and the Class C Note, the Note Principal Amount Outstanding of such Class A2 Notes, Class B Notes and Class C Note;</li> </ul>   |
| <b>Sterling Reference Rate</b>                          | means, on any GBP LIBOR Determination Date, the rate determined by the Agent Bank by reference to the Sterling Screen Rate on such date or if, on such date, the Sterling Screen Rate is unavailable: <ul style="list-style-type: none"> <li>(a) the Rounded Arithmetic Mean of the offered quotations as at or about 11:00 a.m. (London time) on that date of the Reference Banks to major banks for Sterling deposits for the Relevant Period in the London interbank market in an amount representative for a single transaction in the market at that time determined by the Agent Bank after request of the principal London office of each of the Reference Banks;</li> </ul> |

- (b) if, on such date, two or three only of the Reference Banks provide such quotations, the rate determined in accordance with paragraph (a) above on the basis of the quotations of those Reference Banks providing such quotations; or
- (c) if, on such date, one only or none of the Reference Banks provide such a quotation, the Sterling Reserve Reference Rate;

**Sterling Reserve Reference Rate** means on any GBP LIBOR Determination Date:

- (a) the Rounded Arithmetic Mean of the rates at which deposits in Sterling are offered in the London interbank market at approximately 11:00 a.m. (London time) on the GBP LIBOR Determination Date by the principal London office of each of four major banks selected by the Agent Bank in its absolute discretion for Sterling loans for the Relevant Period in the Representative Amount to major European banks; or
- (b) if the Agent Bank certifies that it cannot determine such Rounded Arithmetic Mean as aforesaid, the Sterling Reference Rate in effect for the Interest Period ending on the Business Day immediately preceding the relevant GBP LIBOR Determination Date;

**Sterling Screen Rate** means, in relation to the GBP LIBOR Determination Date, the rate for Sterling deposits for the Relevant Period which appears on the Screen as at or about 11:00 a.m. (London time) on that date;

**Stock Exchange** means the Irish Stock Exchange or any other stock exchange or any other listing authority which has approved the listing of or admitted the Notes to trading from time to time and which is approved for the purposes of the Trust Deed by the Trustee;

**Subordinated Loan Advance** means, in respect of the Closing Date, the advance under the Subordinated Loan Agreement dated on or about the Closing Date in an amount of £10,755,954.91, for the purpose of establishing the Reserve Fund and to pay certain expenses in relation to the issuance of the Notes;

**Subordinated Loan Agreement** means the subordinated loan agreement dated on or about the Closing Date and entered into by the Issuer, the Subordinated Loan Provider and the Trustee;

**Subordinated Loan Provider** means SCUK, or any successor or assignee thereof;

**Subscription Agreement** means the agreement for the subscription of the Notes dated on or about 13 September 2017 and entered into between the Issuer, the Arranger and the Managers;

**Subsequent Moody's Required Rating** means that: (1) the long-term counterparty risk assessment of a Swap Counterparty (or of its successor or any relevant third party guarantor) is rated "Baa1(cr)" or above by Moody's; or (2) the long-term, unsecured and unsubordinated debt or counterparty obligations of a Swap Counterparty (or of its successor or any relevant third party guarantor) are rated Baa1 or above by Moody's;

|   |   |
|---|---|
| <b>Subsequent S&amp;P Required Ratings</b>                  | means, subject to the provisions applying on a downgrade of the Class A1 Notes or the Class A2 Notes, as applicable, set forth in the applicable table under “ <i>Triggers Tables—Rating Triggers Table</i> ”, that (A) for so long as Replacement Option 1 applies, the long-term, unsecured and unsubordinated debt obligations of a Swap Counterparty are rated at least BBB+ (or its equivalent) by S&P, and (B) for so long as Replacement Option 2 applies, the long-term, unsecured and unsubordinated debt obligations of a Swap Counterparty are rated at least A- (or its equivalent) by S&P; |
| <b>Substituted Obligor</b>                                  | means a single purpose company incorporated in any jurisdiction that meets the SPV Criteria;  |
| <b>Successor Servicer</b>                                   | means an entity appointed as a successor servicer in accordance with Clause 23 ( <i>Appointment of Successor Servicer</i> ) of the Servicing Agreement to perform the Services;   |
| <b>Swap Agreements</b>                                      | means the Class A1 Swap Agreement and the Class A Swap Agreement;   |
| <b>Swap Collateral Accounts</b>                             | means the Class A1 Swap Collateral Account, the Class A Swap Collateral Account and any other collateral account established in respect of collateral posted by a Swap Counterparty from time to time;  |
| <b>Swap Counterparty</b>                                    | means the Class A1 Swap Counterparty and the Class A Swap Counterparty, as applicable;  |
| <b>taxes</b>  | has the meaning given to it in Condition 10 ( <i>Taxes</i> );   |
| <b>Three Month Moving Average of Delinquent Receivables</b> | means, on any Calculation Date, the arithmetic mean of the last three (available) Delinquency Ratios (including the Delinquency Ratio calculated on that Calculation Date); if less than three Delinquency Ratios are available, the Three Month Moving Average of Delinquent Receivables will be the arithmetic mean of the available observed Delinquency Ratios;   |
| <b>Transaction</b>  | means the issuance of the Notes and the transactions contemplated by the Transaction Documents;   |
| <b>Transaction Account</b>                                  | means the bank account held in the name of the Issuer at the Transaction Account Bank, to which monies from the Seller Accounts are paid as well as any other bank account specified as such by or on behalf of the Issuer with the consent of the Trustee in the future in addition to or as substitute for such transaction account;  |
| <b>Transaction Account Bank</b>                             | means Santander UK any successor thereof or any other person appointed as Transaction Account Bank in accordance with the Account Bank Agreement and the Deed of Charge from time to time as the bank with whom the Issuer holds the Transaction Account;   |
| <b>Transaction Account Bank Required Ratings</b>            | means (i) in the case of S&P, either (a) a long-term rating of A and a short-term rating of A-1 or (b) if the Transaction Account Bank does not have a long-term rating from S&P, a short-term rating of A-1 (or such other ratings as may be agreed with, or are consistent, in each case, with the then published criteria of, S&P); and (ii) in the case of Moody’s, a short-term deposit rating of P-1 (or such other ratings as may be agreed with, or are consistent with the then published criteria of, Moody’s);   |

|                              |   |
|------------------------------|---|
| <b>Transaction Documents</b> | means the Receivables Sale Agreement, the Servicing Agreement, the Trust Deed, the Deed of Charge, each Scottish Transfer, each Scottish Supplemental Security, the Swap Agreements, the Subordinated Loan Agreement, the Cash Administration Agreement, the Account Bank Agreement, the Seller Accounts Declaration of Trust, the Agency Agreement, the Subscription Agreement, the Corporate Administration Agreement, any documents relating to the NSS and any amendments, terminations, restatements or supplements relating to any such document;   |
| <b>Transaction Party</b>     | means the Issuer, the Seller, the Servicer, the Account Bank, the Transaction Account Bank, the Corporate Administrator, the Principal Paying Agent, the U.S. Paying Agent, the Cash Administrator, the Calculation Agent, the Agent Bank, the Arranger, the Managers, each Swap Counterparty, the Registrar, the U.S. Registrar, the DTC Custodian, the Subordinated Loan Provider, the Trustee or any other person who is party to a Transaction Document;  |
| <b>Trust Deed</b>            | means the deed so named dated on or about the Closing Date between the Issuer and the Trustee (including the Conditions and the Notes) and any document expressed to be supplemented to the Trust Deed;   |
| <b>Trust Documents</b>       | means the Trust Deed and the Deed of Charge and (unless the context requires otherwise) includes any deed or other document executed in accordance with the provisions of the Trust Deed or (as applicable) the Deed of Charge and expressed to be supplemental to the Trust Deed or the Deed of Charge (as applicable);  |
| <b>Trustee</b>               | means U.S. Bank National Association in its capacity as Trustee under the Trust Deed and any of its successors and assignees from time to time;   |
| <b>TSC Regulations</b>       | means the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296) (as amended) made under section 84 of the Finance Act 2005 on 11 December 2006 (and now taking effect under Chapter 4, Part 13 of the Corporation Tax Act 2010);   |
| <b>U.S. Holder</b>           | means a beneficial owner of a Rule 144A Note that is for U.S. federal income tax purposes: <ul style="list-style-type: none"> <li>(a) a citizen or resident of the United States;</li> <li>(b) a corporation created or organised under the laws of the United States or any political subdivision thereof;</li> <li>(c) an estate the income of which is subject to U.S. federal income taxation regardless of its source;</li> <li>(d) a trust, if both: <ul style="list-style-type: none"> <li>(i) a court within the United States is able to exercise primary jurisdiction over the administration of the trust; and</li> <li>(ii) one or more United States persons have the authority to control all substantial decisions of the trust; or</li> </ul> </li> <li>(e) a trust in existence on 20 August 1996, and treated as a United States</li> </ul> |

person prior to such date, that has elected to continue to be treated as a United States person;

|   |  |
|---|--|
| <b>U.S. Paying Agent</b>  | means U.S. Bank National Association in its capacity as a paying agent in accordance with the Agency Agreement and its permitted successors and assignees and any other paying agent appointed from time to time in connection with the Notes under the Agency Agreement;  |
| <b>U.S. persons</b>   | has the meaning given to it in Regulation S;   |
| <b>U.S. Treasury Regulations</b>                                    | means the regulations promulgated and proposed under the Code;   |
| <b>Uncollateralised Aggregate Note Principal Amount Outstanding</b> | means, as at any Calculation Date, the Aggregate Note Principal Amount Outstanding in respect of the Class A Notes and the Class B Notes then outstanding less the amount standing to the credit of the Class A1 Cash Accumulation Ledger as at such Calculation Date;   |
| <b>Underlying Agreement</b>   | means, in relation to any Purchased Receivable, the relevant Conditional Sale Agreement or PCP Agreement entered into between the Seller and any Customer for the purpose of financing the acquisition of a Financed Vehicle;  |
| <b>United Kingdom, UK or U.K.</b>                                   | means the United Kingdom of Great Britain and Northern Ireland;  |
| <b>United States, US or U.S.</b>                                    | means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands);   |
| <b>U.S. Registrar</b>   | means U.S. Bank National Association, and any successor or assignee thereof appointed pursuant to the Agency Agreement;  |
| <b>USD LIBOR</b>  | means the rate for deposits in Dollars for a period of 1 month (or with respect to the first Interest Period the linear interpolation between 1 month and 2 months) which appears on Reuters page LIBOR01 (or such other page as may replace such page on that service for the purpose of displaying the London inter-bank offered rate) at 11:00 a.m. (London time) on the USD LIBOR Determination Date, all as determined by the Calculation Agent. If Reuters Page LIBOR01 is not available or if no such rate appears thereon, in each case as at such time, the Calculation Agent shall request the principal London office of the Reference Banks selected by it (after consultation with the Class A1 Swap Counterparty) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for deposits in Dollars at approximately 11:00 a.m. (London time) on the relevant USD LIBOR Determination Date to prime banks in the London inter-bank market for the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time. If two or more of the selected Reference Banks provide the Calculation Agent with such offered quotations, USD LIBOR for such Interest Period shall be the arithmetic mean of such offered quotations (rounded if necessary to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards). If on the relevant USD LIBOR Determination Date fewer than two of the selected Reference Banks provide the Calculation Agent with such offered quotations, USD LIBOR for such Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean |

(rounded if necessary to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards) of the rates communicated to (and at the request of) the Calculation Agent by major banks in New York City, selected by the Calculation Agent (after consultation with the Class A1 Swap Counterparty), at approximately 11:00 a.m. (New York City time) on the first day of the related Interest Period for loans in Dollars to leading European banks for such Interest Period and in an amount that is representative for a single transaction in that market at that time;

**USD LIBOR  
Determination Date**

means two London Business Days prior to the first day of the related Interest Period;

**VAT**

means (a) any tax imposed in compliance with the council directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) (including, in relation to the United Kingdom, value added tax imposed by the VATA and legislation and regulations supplemental thereto); and (b) any other tax of a similar nature, whether imposed in a Member State in substitution for or levied in addition to, such tax referred to in paragraph (a) above or elsewhere;

**VATA**

means the Value Added Tax Act 1994;

**Voluntary Termination**

means, in respect of Conditional Sale Agreements and PCP Agreements, the exercise by the relevant Customer of a statutory right to voluntarily terminate the related Underlying Agreement by written notice; **provided that** such Underlying Agreement has not been previously terminated by SCUK or by payment in full or otherwise;

**With Asset Account**

means, for the purposes of the Receivables Sale Agreement, an Underlying Agreement made between the Seller and a Customer for the conditional sale by the Seller to the Customer of a Financed Vehicle (including both Conditional Sale Agreements and PCP Agreements) and in relation to which that Financed Vehicle is still in the possession of the Customer on the date specified in the Underlying Agreement;

**Without Asset Account**

means (a) an Underlying Agreement which when it was entered into with the relevant Customer was a With Asset Account but, in respect of which, prior to the date specified in the Underlying Agreement, the Seller has received possession of the Financed Vehicle the subject of that Underlying Agreement and the proceeds of sale of that Financed Vehicle have been applied to the amounts due and payable under the Underlying Agreement or prior to the date specified in the Underlying Agreement the Customer has disposed of the Financed Vehicle (whether lawfully entitled to or not), or (b) a With Asset Account which is being dealt with prior to the date specified in the Underlying Agreement by the Seller's financial solutions unit (or equivalent from time to time); and

**Written Resolution**

means a resolution in writing signed by or on behalf of one or more persons holding not less than 75 per cent. of the Sterling Equivalent Principal Amount Outstanding of the Notes of the relevant Class or Classes then outstanding who for the time being are entitled to receive notice of a Meeting in accordance with the Provisions for Meetings of Noteholders, whether 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 of the relevant Class or Classes.

## GENERAL INFORMATION

### Subject of this Prospectus

This Prospectus relates to the issuance by the Issuer of:

- \$400,000,000 Class A1 Notes,
- £245,000,000 Class A2 Notes,
- £15,000,000 Class B Notes, and
- £36,000,000 Class C Note.

### Authorisation

The issue of the Notes was authorised by a resolution of the board of directors of the Issuer passed on 30 August 2017.

### Litigation

The Issuer is not, and has not since its incorporation been, engaged in any governmental, legal or arbitration proceedings which may have or have had during such period a significant effect on its financial position or profitability, and, as far as the Issuer is aware, no such governmental, litigation or arbitration proceedings are pending or threatened, respectively.

### Payment Information

In connection with the Notes, the Issuer will procure the notification to the Irish Stock Exchange of the Interest Amounts, the Interest Periods and the Interest Rates and, if relevant, the payments of principal on each Class of Notes, in each case in the manner described in the Conditions.

Payments and transfers of the Rule 144A Global Notes representing the Class A1 Notes will be settled through DTC and payments and transfers of the Reg S Global Notes representing the Class A Notes and the Class B Notes and the Rule 144A Global Notes representing the Class A2 Notes and the Class B Notes will be settled through Clearstream Luxembourg and Euroclear, as described herein. The Rule 144A Global Notes representing the Class A1 Notes have been accepted for clearing by DTC and the Reg S Global Notes representing the Class A Notes and the Class B Notes and the Rule 144A Global Notes representing the Class A2 Notes and the Class B Notes have been accepted for clearing by Clearstream Luxembourg and Euroclear.

The Class C Note will not be cleared.

So long as the Notes are listed on the Official List and traded on the regulated market of the Irish Stock Exchange and the rules of the Irish Stock Exchange so permit, all notices relating to the Class A Notes and the Class B Notes shall be published by delivery to the applicable clearing system. Any such notice shall be deemed to have been given to all Class A Noteholders and all Class B Noteholders on the same day that such notice was delivered to the applicable clearing system. Notices relating to the Notes may also be published on the announcements section of the website of the Irish Stock Exchange, on the applicable page of the Reuters screen, the Bloomberg screen or any other medium for electronic display of data as may be approved by the Trustee.

### Material Change

Save as disclosed in this Prospectus, there has been no material adverse change in the financial position or prospects of the Issuer since its incorporation.

## **Miscellaneous**

No statutory or non-statutory accounts in respect of any fiscal year of the Issuer have been prepared. The Issuer will not publish interim accounts. The fiscal year in respect of the Issuer is the calendar year.

Any website referred to in this document does not form part of this Prospectus.

## **Irish Listing**

This Prospectus has been approved by the Central Bank, as competent authority under the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market as defined in Article 2(j) of the Prospectus Directive in conjunction with Article 4.1(14) of Directive 2004/39/EC of the European Parliament and of the Council. The Issuer has appointed Walkers Listing Services Limited as Listing Agent for the Irish Stock Exchange. Prior to such listing of the Notes, the constitutional documents of the Issuer and legal notices relating to the issue of the Notes will be registered with the Registrar of Companies where such documents are available for inspection and copies of these documents may be obtained, free of charge, upon request.

Copies of such documents may also be obtained free of charge during customary business hours at the specified offices of the Principal Paying Agent and at the registered office of the Issuer.

Walkers Listing Services is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List or trading on the regulated market of the Irish Stock Exchange.

## **Publication of Documents**

This Prospectus will be made available to the public by publication in electronic form on the website of the Central Bank ([www.centralbank.ie](http://www.centralbank.ie)).

## **Availability of Documents**

From the date hereof as long as the Notes remain outstanding (including during the period while this Prospectus is valid and the Notes are listed on the Official List and traded on the regulated market of the Irish Stock Exchange) the following documents will be available for inspection in physical form during customary business hours on any Business Day at the registered office of the Issuer and the specified office of the Principal Paying Agent:

- (i) the memorandum and articles of association of the Issuer;
- (ii) the resolution of the board of directors of the Issuer approving the issue of the Notes;
- (iii) the audited annual financial statements of the Issuer starting from the year ending 31 December 2017 (interim financial statements will not be prepared);
- (iv) all notices given to the Noteholders pursuant to the Conditions;
- (v) this Prospectus and all Transaction Documents referred to in this Prospectus;
- (vi) annual financial statements of the Seller for the years ended 31 December 2014, 2015 and 2016;

and the following documents will be available on the website of EuroABS ([www.euroabs.com](http://www.euroabs.com)):

- (vii) a cashflow model (setting out the transaction cashflows assuming zero losses); and
- (viii) loan-level and detailed summary statistics in respect of the Purchased Receivables.



## Post-issuance Reporting

Following the Closing Date, the Principal Paying Agent will provide the Issuer, the Corporate Administrator, the Trustee and, on behalf of the Issuer, by means of notification in accordance with Condition 13 (*Form of Notices*), the Noteholders and so long as any of the Notes are listed on the Official List and traded on the regulated market of the Irish Stock Exchange, the Irish Stock Exchange, with the following information, all in accordance with the Agency Agreement and the Conditions of the Notes:

- with respect to each Payment Date, the Interest Amount pursuant to Condition 6.1 (*Interest Calculation*), the Interest Period pursuant to Condition 6.2 (*Interest Period*), the Interest Rate pursuant to Condition 6.3 (*Interest Rate*) and the deferred interest pursuant to Condition 6.6(b) with an initial denomination of (in the case of the Class A1 Notes) \$250,000 or (in the case of the Class A2 Notes, the Class B Notes or the Class C Note) £100,000;
- with respect to each Payment Date, the amount of principal on each Class A Note, each Class B Note and the Class C Note pursuant to Condition 7 (*Redemption*) to be paid on such Payment Date with an initial denomination of (in the case of the Class A1 Notes) \$250,000 or (in the case of the Class A2 Notes, the Class B Notes or the Class C Note) £100,000;
- with respect to each Payment Date, the Note Principal Amount Outstanding of each Class A Note, each Class B Note and the Class C Note with an initial denomination of (in the case of the Class A1 Notes) \$250,000 or (in the case of the Class A2 Notes, the Class B Notes or the Class C Note) £100,000; and
- in the event the payments to be made on a Payment Date constitute the final payment with respect to the Notes pursuant to Condition 7.4 (*Legal Maturity Date*) of the Conditions of the Notes, the fact that such is the final payment.

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

In addition, the Issuer shall disclose in the first Investor Report the amount of Notes:

- (i) privately placed with investors which are not the Seller or part of the Seller's Group;
- (ii) retained by the Seller or by a member of the Seller's Group; and
- (iii) publicly placed with investors which are not in the Seller's Group.

The Issuer shall also disclose (to the extent possible), in relation to any amount initially retained by a member of the Seller's Group, but subsequently placed with investors which are not in the Seller's Group, such placement in the next Investor Report.

Each Investor Report shall contain a glossary of terms used in such report.

## Clearing Codes

### *Class A1 Notes*

|                              |              |
|------------------------------|--------------|
| ISIN Reg S Notes:            | XS1646554581 |
| ISIN Rule 144A Notes:        | US62006FAA84 |
| Common Code Reg S Notes:     | 164655458    |
| Common Code Rule 144A Notes: | 168728115    |
| CUSIP Number 144A Notes:     | 62006F AA8   |

***Class A2 Notes***

|                              |              |
|------------------------------|--------------|
| ISIN Reg S Notes:            | XS1646556289 |
| ISIN 144A Notes:             | XS1646556875 |
| Common Code Reg S Notes:     | 164655628    |
| Common Code Rule 144A Notes: | 164655687    |

***Class B Notes***

|                              |              |
|------------------------------|--------------|
| ISIN Reg S Notes:            | XS1646557170 |
| ISIN 144A Notes:             | XS1646557410 |
| Common Code Reg S Notes:     | 164655717    |
| Common Code Rule 144A Notes: | 164655741    |

***Class C Note***

|                   |              |
|-------------------|--------------|
| ISIN Reg S Notes: | GB00BZ020P52 |
| ISIN 144A Notes:  | GB00BZ020P52 |

**ISSUER**

**Motor 2017-1 PLC**  
35 Great St. Helen's  
London EC3A 6AP  
United Kingdom

**SELLER AND SERVICER**

**Santander Consumer (UK) plc**  
Santander House  
86 Station Road  
Redhill  
Surrey RH1 1SR  
United Kingdom

**SWAP COUNTERPARTY**

**Santander UK plc**  
2 Triton Square  
Regent's Place  
London NW1 3AN  
United Kingdom

**ARRANGER AND MANAGER**

**Banco Santander, S.A.**  
2 Triton Square  
Regent's Place  
London NW1 3AN  
United Kingdom

**MANAGERS**

**Santander Investment Securities Inc.**  
45 East 53rd Street  
New York, New York 10022  
United States

**Citigroup Global Markets Limited**  
Citigroup Centre  
Canada Square  
London E14 5LB  
United Kingdom

**RBC Europe Limited**  
Riverbank House  
2 Swan Lane  
London EC4R 3BF  
United Kingdom

**RBC Capital Markets, LLC**  
200 Vesey Street  
8th Floor  
New York, New York 10281  
United States

**Wells Fargo Securities International Limited**  
One Plantation Place  
30 Fenchurch Street  
London EC3M 3BD  
United Kingdom

**Wells Fargo Securities, LLC**  
550 South Tryon Street  
6th Floor D1086-060  
Charlotte, NC 28202  
United States

**CORPORATE ADMINISTRATOR**

**Intertrust Management Limited**  
35 Great St. Helen's  
London EC3A 6AP  
United Kingdom

**TRUSTEE, U.S. REGISTRAR, DTC CUSTODIAN AND**

**U.S. PAYING AGENT**  
**U.S. Bank National Association**  
1 Federal Street, 3rd Floor  
Boston, Massachusetts 02110  
United States

**PRINCIPAL PAYING AGENT, AGENT BANK,  
CALCULATION AGENT, CASH ADMINISTRATOR AND  
ACCOUNT BANK**

**Elavon Financial Services DAC, UK Branch**  
5th Floor  
125 Old Broad Street  
London EC2N 1AR  
United Kingdom

**REGISTRAR**  
**Elavon Financial Services DAC**

Block E  
Cherrywood Business Park  
Loughlinstown  
Dublin  
Ireland

**LISTING AGENT**

**Walkers Listing Services Limited**  
The Anchorage  
17-19 Sir John Rogerson's Quay  
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